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Rioters hurling stones at the police on Friday in Gaza City as Palestinian fought Palestinian in the worst such violence since Gaza gained autonomy.

## Arafat's Police Shoot Palestinian Protesters in Gaza

### 11 Killed, Violence Seen As Severe Test of PLO Rule

By Clyde Haberman  
New York Times Service

GAZA CITY — Yasser Arafat's police force opened fire for the first time Friday on Palestinian protesters, killing at least 11 people and wounding as many as 200 in street battles that raged for hours across the Gaza Strip's main city.

The police said that one of their officers was killed and 10 were wounded.

It was by far the worst internal violence since Palestinian autonomy began six months ago in the Gaza Strip and the West Bank town of Jericho, and some Islamic radicals opposed to Mr. Arafat warned of a brewing civil war. But leaders of the main Islamic resistance group, Hamas, sought to allay such fears, saying that they would work to keep Gaza from tearing itself apart in bloodshed.

Nonetheless, the rioting and shooting shocked Gaza residents, and it was a potentially devastating political blow to Mr. Arafat in his efforts to show that he and his struggling self-rule government were in charge and capable of maintaining order.

Israelis and Palestinian moderates both expressed concern about the possible consequences for their soon-to-resume peace talks to expand Palestinian authority beyond Gaza and Jericho to encompass the entire West Bank.

On Gaza City's streets, Mr. Arafat was a reviled figure Friday, denounced by Palestinians regardless of political affiliations as a "traitor" and "collaborator with Israel."

"I supported Arafat before but now I hate him," said Jamil Kafarneh, a social worker who stood with protesters at one of the scenes of serious clashes, Palestinian police headquarters, formerly Israel's main prison here.

A young man nearby shouted, "Arafat must hang for this," and an older Palestinian said, "Arafat is worse than Ceausescu," a reference to the assassinated Romanian leader, Nicolae Ceausescu.

What appalled and enraged many Gaza residents was that, this time, it was their own forces, not the hated Israelis, who had taken aim at rock-throwing protesters.

The Palestinian police blamed Islamic extremists, saying that radicals were looking for a fight and that officers had fired in self-defense. A police statement said that extremists had fired first from the main Gaza City mosque, where the turmoil began just as noon prayers were ending.

There was an independent confirmation of that charge. Witnesses said the police had started the shooting to keep thousands of worshippers at the Palestine Mosque away from a planned march to denounce Mr. Arafat's government, the Palestinian Authority, and his self-rule agreement with Israel.

Either way, the authorities apparently decided to draw a line in the sand, responding firmly in a showdown with Islamic groups and their supporters that had been building for weeks. That was also the view of an Israeli negotiator with the Palestinians, Environment Minister Yossi Sarid, who said on Israel Television, "I assume that Arafat reached the conclusion that it's either him or them."

The resulting clashes were ferocious, spreading quickly from the mosque to the police headquarters, another police post and to Shifa Hospital, where most of the victims were taken.

Rioting also spread Friday evening to Rafah, at the southern end of the Gaza Strip, where youths beat up a video-shop owner and smashed cafes and a movie theater.

Dozens of youths marched on an Israeli Army checkpoint near the isolated settlement of Netzarim, where three soldiers were killed Nov. 11 by a suicide bomber from the Islamic Jihad group. As the young Palestinians approached, soldiers pulled back to avoid a confrontation and

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## Gingrich Opposes Aid to Bosnia, 'Europe's Problem'

Readers

MARIETTA, Georgia — Representative Newt Gingrich, the future speaker of the House of Representatives, said Friday he would oppose any multibillion-dollar U.S. aid package for Bosnia's Muslim-led government, calling the crisis there "A European problem."

The Georgia Republican, who is expected to take over as speaker on Jan. 4, also said that the overwhelming portion of any aid package for Bosnia would have to come from wealthy European nations. "I can't imagine, given the current budget constraints, that this administration would commit itself to \$5 billion in aid to Bosnia," Mr. Gingrich said.

"It certainly would not be a step toward a balanced budget and it wouldn't be a step towards a strong American military."

I'd be very skeptical of that kind of proposal."

Mr. Gingrich's remarks followed questions by reporters about the Clinton administration's contingency plans for military aid to the Bosnian Muslims, along with a military training program for their army.

"Frankly, I can't imagine why we would go in and provide that kind of money," Mr. Gingrich said.

"Bosnia is largely a European problem. The Germans and the French and the British and the Italians are more than wealthy enough to provide the overwhelming bulk of the aid."

Art Pine of The Los Angeles Times reported earlier.

The Clinton administration has complied with an order by Congress to draft

options for arming and training Bosnian government forces, but it warns that carrying out the proposal would be risky, costly and almost certain to jeopardize ties with U.S. allies.

The scenarios, outlined in classified briefings with lawmakers this past week, call for the United States to lift the arms embargo unilaterally, to arm and train Bosnian government soldiers and to help evacuate allied troops now on peacekeeping duty in Bosnia-Herzegovina.

But officials have warned that the operation would require a substantial U.S. air campaign to protect Bosnian forces during training and the deployment of thousands of American ground troops, with a risk of widening the ground war. The cost could

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A man crying in pain on Friday after he was shot in the foot in Sarajevo.

## UN Finds Evidence of Napalm in Bosnia

Compiled by Our Staff From Dispatches

Low-flying jets, apparently from Serbian-held land in Croatia, attacked a United Nations-declared "safe area" in northwestern Bosnia on Friday, and UN military observers said they found evidence that napalm and cluster bombs had been used.

A spokesman, Paul Risley, said UN observers in the town of Bihać observed two planes flying low over the town. "After they arrived, two loud explosions were heard," he said. Other observers reported seeing a missile launched, he said.

Mr. Risley said that observers on the ground "found fragments of napalm and cluster-bomb weapons within the safe area."

It was believed to be the first time in the war that a napalm bomb had been dropped. There have been allegations in the past of such anti-personnel weapons being used, but none confirmed.

UN and Western military sources confirmed that radar had picked up planes flying from territory controlled by Croatian Serbs, who are involved in the fighting around Bihać.

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## New Status Lands Dole in Trade Dilemma

By David E. Sanger  
New York Times Service

WASHINGTON — The phone is ringing endlessly at Senator Bob Dole's offices in Kansas and on Capitol Hill, but not just with congratulations for his new status as majority-leader-designate.

Barely 10 days after he was swept to a victory even he did not predict, Mr. Dole is caught in the crosscurrents as Republican Party leader and nascent statesman, as potential presidential candidate and as a free-trader with second thoughts about the popularity of free trade.

It is not a happy place to be, especially when the argument is over an international agreement that everyone says will have a vast but unknowable effect on the fate of the world economy and that is so staggeringly dense — four volumes costing \$145 at the Government Printing Office — that no one knows anyone who has actually read it.

"I wouldn't want to be Bob Dole," said Jerry Junkins, the chief executive of Texas Instruments, who heads a business lobbying group, the Alliance for GATT Now, that is trying to push the wavering senator

to support the agreement, which would cover 123 nations.

"Boeing is big in Kansas, and so are the farmers," he said, ticking off others with longstanding ties to Mr. Dole who stand to gain from the accord.

"But he must be thinking about other things as well," he added, such as primaries in New Hampshire and Iowa that are only 18 months away.

The vote on the world trade agreement, which will be taken up by a lame-duck

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## North Korea Moves on Pact, Freezing Nuclear Reactors

By James Sterngold  
New York Times Service

TOKYO — North Korea struck its most conciliatory and cooperative note in years on Friday, announcing publicly for the first time that it had frozen its nuclear reactor program, as promised in an agreement with the United States. It also vowed to carry out its commitment to dismantle the remaining elements in its suspected nuclear weapons facilities.

Given the long trail of broken agreements in North Korea's relations with Washington, the remarks did not assure compliance by Pyongyang. But coming at a time when the North has taken several other steps to reassure the United States and the United Nations, the comments were taken as a promising sign.

Earlier this week, U.S. nuclear experts were received in North Korea and, for the first time, permitted to visit a key nuclear complex at Yongbyon.

The group inspected a muddy cooling pond where North Korea is temporarily storing nearly 8,000 spent nuclear fuel rods taken from a small reactor last spring. If reprocessed, the uranium in the rods could yield enough plutonium to construct four or five nuclear bombs, U.S. intelligence officials have said.

[The United Nations nuclear agency said Friday that a team of experts would travel to North Korea in the next few days to discuss details of the nuclear freeze, Reuters reported from Vienna. The International Atomic Energy Agency said in a statement that the team had obtained the

necessary visas and would leave for North Korea shortly.]

A key element in the nuclear agreement is that Pyongyang will not reprocess the rods and will eventually allow them to be stored out of North Korea.

In a dispatch monitored in Tokyo, the official press agency, KCNA, quoted a spokesman for the Foreign Ministry as saying, "We have taken steps for totally freezing the graphite-moderated reactors and their related facilities."

The accord with the United States aims to dismantle three old-style graphite core reactors that produce relatively large amounts of plutonium, the key component in a nuclear bomb.

In return for doing so, North Korea will receive two modern light-water reactors for generating electricity. It will also be provided fuel for an interim period to make up for a critical power shortage. Eventually, the United States has promised

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## The Tape Is Red, White and Blue, Russians Assert

By Alessandra Stanley  
New York Times Service

MOSCOW — Russians are once again complaining about long lines, red tape and bone-chilling rudeness from petty bureaucrats.

Only now they maintain that such typical Soviet-era indignities are rampant in the consular section of the American Embassy.

People seeking visas are increasingly indignant over what they describe as rude and humiliating treatment by American consular officers. The U.S. Embassy retorts that 80 percent of all visa requests in Moscow are granted and that the complaints reflect the Russians' misunderstanding of American bureaucracy and immigration law.

But the conflict also is a reflection of the new kinds of cultural clashes that have surfaced now that the grand ideological divide between the former superpowers has narrowed.

Russians, accustomed to being treated by American diplomats as cherished allies in the struggle against the Communist government, are now shocked and offended to

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See EMBASSY, Page 3

## Kiosk In Mozambique, Vote-Count Delay

MAPUTO, Mozambique (AP) — Election officials again failed to keep promises to release final ballot results Friday.

The announcement of final results from the Oct. 27-29 election, the first multiparty vote since independence from Portugal in 1975, has been repeatedly delayed. Provisional results have put President Joaquim Chissano and his governing Mozambique Liberation Front, or Frelimo, firmly in the lead.

Mr. Chissano, who had expected to hear the results Friday afternoon, postponed a nationally televised address after the National Elections Commission said the announcement would not come before late in the evening.

## Starting on Monday: A Look at Capital Markets

On Monday, the International Herald Tribune begins a weekly page devoted to reporting and analyzing the world's capital markets.

Capital Markets on Monday will chart details of the world's 250 most actively traded international bonds exclusive to the Herald Tribune from the Euroclear System, the leading clearance and settlement system for internationally traded securities.

Also in Capital Markets on Monday: ● Carl Gewirtz listens to the sound of money moving and reports where it's going.

● The Trib's chart of new international bonds details the terms of the week's biggest new issues.

● And there is an insightful preview of the week ahead in U.S. credit markets.

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameroon.....1.40 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....9.00 R.
Germany.....9.00 CFA	Senegal.....900 CFA
Greece.....300 Dr.	Spain.....200 PTAS
Italy.....2,600 Lire	Tunisia.....1,000 Din
Ivory Coast.....1,120 CFA	Turkey.....T.L. 35,000
Jordan.....1 JD	U.A.E.....6.50 Dirh
Lebanon.....US\$ 1.50	U.S. Mil. (Eur.) \$1.10

Dow Jones		Trib Index	
Down	12.79	Down	0.49%
3815.26		119.75	
The Dollar		Previous Close	
New York	1.5553	1.5525	
DM	1.568	1.5719	
Pound	98.58	98.33	
Yen	5.341	5.3345	



# With High Court Filled, a Rebuke to South Africa's Past

By Bill Keller  
New York Times Service

JOHANNESBURG — Pius Langa's first close insights into the machinery of South African justice came when he worked as a lowly interpreter in the rural courts of the Zulu countryside. He remembers, for instance, the interrogation of a black farmworker arrested for deserting his white employer.

"Why did you leave the farm?" the judge asked.

"I was going to the police station to report that the master assaulted me," the worker replied.

"Ah, but did you get the master's permission to walk away from the farm?" the judge asked, before handing down a conviction on the charge of desertion.

Such memories are part of the resume Mr. Langa brings to his appointment as a member of South Africa's newest and highest judicial body, the Constitutional Court, which will have the power to overrule the government on questions of constitutional law. South Africa has never had a court with authority to veto its executives, or any court that looked at the world the way this one will.

With the appointment of the final justices last month, the architecture of South Africa's new national democracy is now complete. The 11-member court is to hear its first case in February, a challenge to the death penalty.

Some appointments were a stunning rebuke to the past.

Before and after he earned his law degree from a correspondence school, Mr. Langa knew most of the indignities that South Africa and poverty could inflict on the black majority. His family was forcibly removed from its home to an apartheid ghetto. He was rounded in the night and arrested for violating the notorious pass laws — once for illegally sleeping at his parents' house. Dissident friends were murdered.

Then there is Albie Sachs, a white African National Congress lawyer whose right arm was torn off by a 1988 car bomb planted by an agent of the apartheid government.

And there is Catherine O'Regan, 37, a law professor. Asked what she would bring to the court, she chirped sardonically: "Youth, eternal youth!"

Even the more conventional choices, judges who have long loomed large in the legal fraternity, have not spent their careers in law libraries. Judge Richard Goldstone directed a commission that investigated the most sordid secrets of political violence, and is now overseeing the Balkan war crimes tribunal. Judge Johann Kriegler led the independent commission that directed South Africa's first free elections in April. Ismail Mohammed, an Indian jurist who broke the white monopoly on the South African bench in 1991, led the negotiations that produced the new constitution last year.

"If there is one thing they have in common, it

is that they have shown a commitment to human rights in what they have said or done in their lives," said Arthur Chaskalson, the president of the court.

Mr. Chaskalson represented political dissidents, including Nelson Mandela, in many major political trials, and in 1979 he quit a lucrative practice to found the Legal Resources Center, which defends victims of apartheid.

Like most of the new South African democracy, the court is a hybrid. Mr. Chaskalson attributes the basic idea of a supreme constitutional court to the United States, but the structure is closer to Germany's court, and the elaborate selection process is not quite like any other.

"It's a pretty homegrown animal," Mr. Chaskalson said.

The new court, appointed by Mr. Mandela after elaborate consultations and judicial oversight, has come under fire as insufficiently diverse (because six of the 11 justices are white men) and conversely as being too representative (because some blacks and women were named over white men with more impressive legal credentials).

Mr. Chaskalson pointed out that before these appointments, there were only three blacks presiding in all the courts of South Africa, including its ostensibly independent black homelands, and only two women. But he conceded: "The full diversity of the country is not yet reflected."

A more stinging charge is that the court has

been stacked with African National Congress sympathizers while candidates who favored other parties or who had clashed with Mr. Mandela's party were passed over.

During hearings by a commission set up to nominate candidates, Mr. Sachs was grilled fiercely for his failure to condemn the ANC's cruelty to a congress guerrilla commander who died in an exile detention camp. Mr. Sachs was a member of an ANC inquiry that investigated the death, and critics said his silence raised doubts about his willingness to defend the public against official abuses.

"Not all the appointees inspire confidence," said F.W. de Klerk, the former president and now a deputy president in the coalition government, in a letter reference to Mr. Sachs.

In an interview, Mr. Chaskalson defended the independence of the judges, saying it was "quite absurd" to assume that anyone who had been associated with the ANC "would for that reason alone lack integrity."

Ms. O'Regan, a member of the African National Congress, said the new judges' anti-apartheid credentials would assure that the government was not tempted to defy the court when a ruling goes against it.

"If we had the old striking down the new, the possibility for conflicts would have been enormous," she said. "This court will be almost impossible for the government to attack politically."

## Defense Minister Pleads for Rubles Army in Dire Straits, He Says

By Steven Erlanger  
New York Times Service

MOSCOW — Russia's beleaguered defense minister, General Pavel S. Grachev, cautioned a skeptical Parliament on Friday that an impatient and impoverished Russian military was in a catastrophic state, under-equipped and underfunded and losing its capacity to defend the motherland.

"Not a single army in the world is in such a catastrophic state," General Grachev said. "I ask you to take this as a warning."

In a speech full of warnings, the general launched into a tough analysis of the army's problems and its unmet needs. If it did not get more money, he told the lower house of Parliament, "then the irreversible process of losing our capability will occur and the armed forces will then collapse."

His dire assertions also seemed aimed to show his own troops that he remains a capable spokesman for them in this new, semidemocratic world where Russian generals are summoned by elected legislators to testify.

The general, who is under severe public pressure because of long-simmering allegations of corruption in the retreat from Eastern Germany, also said he would not resign.

Military training was being sharply cut due to finances, he said. Pilots were not flying and ships were stuck in port. Only 40 percent of the army has modern equipment, he said, a number that would drop to 10 percent by 2000.

Talented young officers, General Grachev said, are leaving in large numbers, 2,600 of them this year alone.

"These are difficult times for the army," he warned again.



President François Mitterrand holding his hat against the wind Friday in Chartres.

## A France-U.K. Air Command Corps Would Plan Joint Peacekeeping Missions

CHARTRES, France — France and Britain, sounding closer than ever before on European union, announced the creation of a joint air command Friday.

President François Mitterrand and Prime Minister John Major said after a one-day meeting here that their aim was to consolidate the achievements of the European Union rather than seek a great leap forward.

Officials said the harmonious public statements reflected a trade-off in which Britain had taken a step toward France on European defense, and France had moved nearer to Britain in opposing a federal Europe.

The two countries agreed to establish a French-British Euro Air Group of about a dozen officers to plan possible future joint peacekeeping and humanitarian air operations.

The group will be based at High Wycombe, England, where NATO has an air command, and will initially have a French general in charge.

"This project shows our concern to move forward pragmatically on European defense," Mr. Mitterrand said.

## Irish Crisis Unlikely to Roll Back Peace Effort

By James F. Clarity  
New York Times Service

DUBLIN — Efforts toward peace in Northern Ireland will not be seriously affected by the collapse of the Irish government, officials attending a government-sponsored peace forum in Dublin said Friday.

Among them was John Alderdice, head of the Alliance Party and the only Protestant leader from Northern Ireland attending the meeting of the Forum for Peace and Reconciliation. The forum was fostered by Albert Reynolds, who resigned as prime minister on Thursday.

Mr. Alderdice's statement, that he expected the peace process to continue at an adequate pace, followed similar remarks Thursday by British officials in London and by Gerry Adams, the leader of Sinn Féin, political arm of the Irish Republican Army.

The resignation and collapse of the Irish coalition came after the Labor Party, Mr. Reynolds's partner, abandoned him, saying he had deceived Parliament in defending his actions in a case involving the failure of his attorney general to extradite to Northern Ireland a Roman Catholic priest accused, and eventually convicted, of child-molestation.

In seeking to hold power, Mr. Reynolds had suggested that his removal would impede the peace initiative that he advanced 11 months ago with the British prime minister, John Major.

But the leader of the Labor Party, Dick Spring, who was the coalition's foreign minister, said the peace effort could survive without Mr. Reynolds. Leaders of opposition parties who might take part in a new coalition said they were ready to advance the peace efforts, which have accelerated since the IRA began a cease-fire in the North on Sept. 1.

Mr. Reynolds, who is 62, confirmed Friday that he will not seek a comeback, and that his Fianna Fáil party was preparing to elect a new party leader at a meeting Saturday. This leader, who would automatically become a candidate for prime minister, is expected to seek the renewal of a coalition government with Labor.

But the 44-year-old Mr. Spring, in the kingmaker's position, could also choose to form a coalition with the largest opposition party, Fine Gael, and smaller parties, the Progressive Democrats and Democratic Left.

All parties made it clear they would prefer a new coalition to the alternative of a general election before Christmas.

## WORLD BRIEFS

### Aegean War Games Provoke Dispute

ANKARA (Reuters) — Turkey said its military exercises in the Aegean were proceeding as planned on Friday after Greece said its fighters chased Turkish planes out of Greek airspace.

The Turkish Foreign Ministry and Defense Department had no immediate comment on statements from Athens that Greek fighters chased 10 intruding Turkish fighter-bombers from the Aegean's airspace near the Turkish coast on Thursday while the two countries were involved in rival war games in the Aegean.

The Turkish military said its warships involved in Aegean exercises had temporarily pulled into port as planned. Turkey began its exercises, which it says are planned and routine, on Monday and has said they will end next Wednesday. Greek air and naval forces are also conducting exercises in the region and tension has been raised over the possibility of a conflict.

### 4 Skinheads Sentenced for Rampage

ERFURT, Germany (Reuters) — Four German skinheads were given suspended jail sentences Friday ranging from four to seven months for taking part in a rampage at the former Nazi death camp at Buchenwald.

The young men, in the third group of skinheads to go on trial over the July riot, were charged with breaching the peace, using banned Nazi symbols and causing material damage. A young woman in the group was put on probation for two years.

Thirteen out of a gang of 22 skinheads have appeared in court so far over the rampage, in which gang-members chanted "Heil Hitler," damaged buildings and threatened to burn a woman's assistant.

### Salvagers Raise Part of Baltic Ferry

Helsinki (AP) — Salvagers raised the front cargo door of the sunken ferry Estonia on Friday, hoping for more clues on why the ship sank in the Baltic Sea with more than 1,000 people on board.

The 56-ton outer door was ripped off in a storm on Sept. 28, causing water to flood the vehicle deck. The ferry sank in less than 30 minutes, killing about 900 people.

"The door is up, and we hope to bring it into port tomorrow," said Kari Lehtola, a member of the commission investigating the accident. "The operation went well. There were no mishaps."

### Scientists Discover Element No. 110

BERLIN (AP) — Scientists in Germany have discovered a new element, bringing to 110 the number of basic substances known to make up the earth.

The element was detected Nov. 9 during the bombardment of lead atoms with nickel atoms in the accelerator at the Heavy Ion Research Center in Darmstadt. The center said a dozen scientists from research centers in Russia, Slovakia and Finland collaborated in discovering the element, which does not yet have a name.

Elements are substances that cannot be separated into other substances by ordinary chemical means. The latest — and heaviest, with an atomic weight of 269 — existed for only a fraction of a thousandth of a second in the research center.

### Fighting Delays Angola Pact-Signing

HUAMBO, Angola (AP) — UNITA rebels, their forces under attack, said Friday that their leader, Jonas Savimbi, could not leave Angola to sign a peace treaty as planned Sunday.

A UNITA spokesman in Brussels, Alcides Sakala, said that rebel forces were under a third day of heavy bombardment by government planes. Mr. Savimbi, said to be at a secret location in Angola, was to have signed the pact in Lusaka, Zambia.

Heavy artillery was heard Thursday around the central city of Huambo, the former stronghold of the National Union for the Total Independence of Angola. Military hard-liners in the government are said to be pressing President José Eduardo dos Santos to finish off the weakened rebels.

### Aristide Names New Chief of Army

PORT-AU-PRINCE, Haiti (WP) — President Jean-Bertrand Aristide has named a new army commander as part of a U.S.-backed plan to legitimize and transform Haiti's disgraced, coup-prone military without completely disbanding it.

Brigadier General Bernard Poisson, until recently an obscure colonel heading the fire department, was given command in a decree signed by President Aristide, Prime Minister Smarck Michel and the new defense and interior ministers. He replaced Major General Jean-Claude Duperval, who had been interim commander since the U.S. occupation forced Lieutenant General Raoul Cédras to resign as armed forces chief Oct. 10 to end Haiti's three-year military dictatorship.

General Poisson, who has trained in the United States and France, assumed command over a military institution sullied by years of brutality in support of the Duvalier family dictatorship and more recently by the bloody repression that followed the coup against Father Aristide in September 1991.

## TRAVEL UPDATE

### Chunnel Trains: Smooth First Week

LONDON (AP) — The trains taking passengers through the Channel Tunnel made it through their first working week with no major glitches, but they were not quite a sellout, a spokesman said Friday.

"Loadings have been reasonable — we wouldn't have expected them to be full," said Ken Gibbs, a spokesman for the Eurostar trains that began running Monday between London and Paris and London and Brussels. Some trains have had about 700 passengers on board, close to the capacity of 794, Mr. Gibbs said, "but some trains have not done so well." The Paris service is proving to be more popular than the Brussels route.

Eurostar would not say how many empty seats there had been. Although Eurostar suffered several embarrassing delays in test runs shortly before it opened to the public, Mr. Gibbs said that during the first week the trains had all run close to schedule, with only a handful of delays lasting no more than a few minutes.

The French National Assembly approved legislation on Friday that increases fines on motorists for speeding from a maximum of 5,000 French francs (\$940) to 7,500 francs. The measure now goes to the Senate.

Lufthansa, the German national airline, will make two daily round-trip flights to Orly airport in Paris from Frankfurt starting Jan. 2 after France agreed to open Orly to other European carriers.

A 12-hour strike by pilots of Alitalia, the Italian state airline, grounded more than 100 international and domestic flights at Rome's Leonardo Da Vinci airport on Friday and caused several delays, airport officials said.

KLM Royal Dutch Airlines and Korean Air have agreed on a cooperation accord after three years of negotiations between their governments. The Dutch Transport Ministry said Friday. Beginning April 1, KLM will be allowed to increase its flights to Seoul to three times a week from twice and Korean Air will be permitted to fly three times weekly to Amsterdam.

## Finland's Parliament Says 'Yes' to EU

Compiled by Our Staff From Dispatches  
HELSINKI — Finnish lawmakers on Friday overwhelmingly endorsed membership in the European Union, paving the way for the country to join the group next year.

Despite a filibuster by a handful of legislators that delayed the vote by several weeks,

the EU measure passed with the required two-thirds majority. The vote was 152 to 45 in the 200-member Parliament.

"I'm relieved," said Prime Minister Esko Aho. "The long, arduous task, at least in Finland's part, is now over."

Anti-Union lawmakers, mainly from Mr. Aho's governing Center Party, successfully delayed the vote until after Sweden's referendum Nov. 13. They had hoped a Swedish rejection would help them block ratification, but about 52 percent of Swedish voters approved EU membership.

Finns voted 56.9 percent to 43.1 percent for membership in an advisory referendum on Oct. 16. Parliament had the final say but most members said they regarded the referendum as morally binding.

Last week, the Austrian Parliament ratified EU membership after voters overwhelmingly approved in a referendum.

Norwegians are to vote Nov. 28. With the Nordic nations and Austria, the Union would grow to 16 members encompassing 375 million people.

When Finland joins the EU, Mr. Aho said, it would act as a bridge between East and West. "We are close to Russia and the Baltic states, and our task is to promote cooperation across that border," he said, referring to the 1,270-kilometer (790-mile) border Finland shares with Russia.

The membership applications of Finland, Sweden and Austria are subject to ratification by the Parliaments of all 12 European Union nations.

French officials, however, said they believed the new British openness to European defense reflected a realization that the so-called special relationship with Washington was fading and that the United States would be a more distant ally in the future.

France and Britain also agreed to set up a working group to study possible British participation in producing a European military transport, known as the Future Large Aircraft, in which Paris is already cooperating with Germany, Italy, Spain and Portugal.

French officials said they regarded a British decision to join the project and eventually buy the plane as a litmus test of London's commitment to European defense cooperation.

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# THE AMERICAS / NOW, THE TIME PRIME

## Experts Shudder as Republicans Try to Meet 'Contract'

By Clay Chandler  
Washington Post Service

WASHINGTON — The House Republicans' "Contract With America" embraces a tangle of contradictory economic-policy goals that defy the conventional wisdom about what is politically possible and challenges Congress to fundamentally restructure the role of government.

The 10-point program that Republicans ran on — and Democrats ran against — promises House votes on a constitutional amendment requiring a balanced budget by 2002, a stronger military and multibillion-dollar tax cuts over the next five years.

Balancing the budget without touching either Social Security or Medicare — which Republican leaders have vowed to protect — while strengthening the military and cutting taxes would require deep and politically painful cuts in the remaining federal programs, many budget analysts said.

Republicans say that is just the point. The House speaker-to-be, Newt Gingrich, Republican of Georgia, has said that this sort of sweeping reduction in government — along with a whole new approach to federal budget account-

ing — is what the Republicans' dramatic election victory was all about.

But many analysts — liberal and conservative — fear that the more likely result of the Republican economic strategy, which offers more detail

### NEWS ANALYSIS

about proposed tax cuts than the spending reductions to offset them, will be a return to the soaring deficits of the Reagan era.

The Republican economic platform is "a big evasion," said Herbert Stein, senior economist at the conservative American Enterprise Institute who was chairman of President Richard Nixon's Council of Economic Advisers.

"The balanced-budget amendment," he said, "is full of hypocrisy. I don't see any way you can balance the budget with all those things off the table."

Republicans "used to be the crowd you could count on for deficit reduction," said Martha Phillips of the Concord Coalition, a bipartisan group advocating fiscal restraint. "This doesn't look like deficit reduction to me."

Investors, too, are wary of Republican propo-

als. Wall Street, while generally pleased with the Republican victory, "is very nervous about the veracity of this contract," said Donald Strazheim, chief economist at Merrill Lynch & Co. "The tax cuts are laid out but the spending cuts are not."

The crux of the Republicans' dilemma is this: Projected savings from the list of sample spending cuts put forward by Republican contract supporters would total \$176 billion over five years, based on current projections of spending and inflation. That sum is just enough to offset the package of tax cuts and spending increases at the core of the Republican agenda.

But just breaking even on tax and spending proposals would do nothing to reduce the deficit, which is expected to swell by \$743 billion over five years if spending continues at current levels, according to Congressional Budget Office estimates.

If Republican proposals are considered over a seven-year period — the interval within which the Republican-backed amendment would require the budget to be balanced — the revenue shortfall balloons to \$1.2 trillion.

Arguments over accounting also underlie different estimates of the impact of Republican tax proposals on government revenue.

Democrats, for example, charge that cutting taxes on capital gains — profits from the sale of stock and property — and changing accounting rules for the depreciation of equipment would add significantly to the deficit. Republicans contend these tax changes would actually generate new revenue in the long run by encouraging new investment and raising the economy's productivity.

This week, Republican budget experts began translating the contract's promises into detailed legislative proposals.

The task will not be easy, Republican staffers acknowledge. The "contract" that Republican House candidates signed was a broad, 10-point summary of measures they promised to bring to a vote in the first 100 days of the next Congress. The Republican staffs of the House and Senate Budget committees, who are reviewing more than 270 pages of draft legislation, said there are many details to be filled in.

Asked if the plan's budget estimates add up, William A. Niskanen, chairman of the conservative Cato Institute, scoffed, "Of course they don't." The Republicans, he said, are "nowhere near making the numbers come out."

## Getting to the Crux Of Army Readiness

### Is It Politics or a Fiscal Issue?

By John F. Harris  
Washington Post Service

WASHINGTON — The admission by Defense Secretary William J. Perry this week that a quarter of the U.S. Army is in a low state of readiness brought angry accusations from Capitol Hill and defensive explanations from the Pentagon. The question that did not get asked or answered was more fundamental: Ready for what?

The news that 3 of the army's 12 divisions are not fully combat-ready is a direct result of the Clinton administration's decision to use the military for

Mountain Division, are not called up over and over. Some people also propose a contingency fund so the military could respond to crises without raiding from operations and maintenance accounts, as it is now forced to do, while waiting for Congress to allocate supplemental funds.

Of course, peacekeeping operations may become less common in Washington's new political environment. The readiness issue "is one of many factors that will make it harder for Clinton to send forces abroad," said John Isaacs, president of the liberal Council for a Livable World, which is generally supportive of peacekeeping.

Mr. Isaacs believes the sky-is-falling rhetoric about readiness is misplaced. Haiti and Rwanda, he said, were real-world situations where the military saved lives, while the divisions that stayed home simply fell a bit behind training for wars that seem unlikely in any case.

"There's a lot of situations where combat is not the answer," Mr. Isaacs said.

But one of the new powers of Capitol Hill, Senator John McCain, Republican of Arizona, believes that dismissing the importance of readiness is naive. "I don't know what's going to happen in North Korea, and Islamic fundamentalism is on the rise," Mr. McCain noted. With the Cold War's end, "We live in a much less dangerous, but more unstable world."

## Away From Politics

• A mistrial was declared in a British tourist's murder when a jury in Monticello, Florida, failed to reach a verdict after six hours of deliberations. The court declared the mistrial and ordered a retrial in the case of John Crumie, 17, accused of killing Gary Colley during a robbery attempt in September 1993.

• A deadly storm confounded forecasters by gaining strength and turning back to shore to pound North Carolina's barrier islands with 16-foot (5-meter) waves. Later, the storm turned south and was downgraded from a hurricane, designated Gordon, to a tropical storm. The center of the storm that killed hundreds in the Caribbean was stalled about 165 miles (265 kilometers) south of Hatteras.

• In an effort to move homeless people out of the New York City subway system, where they live in rat-infested utility rooms and narrow passageways between tracks, the federal government has announced that it will offer them federal housing vouchers.

• The number of murders in New York City has dropped by 18 percent from last year, according to the police. A total of 1,403 people were murdered in New York as of Nov. 13, down by 310 from the same period last year. The number of rapes reported dropped 14 percent, to 63,792.

• Experts dismantled a bomb found attached to a huge propane storage tank after a day-long scare that forced the evacuation of about 2,000 residents of Redding, California.

AP, NYT, Reuters, AFP



Margaret Jagger reacting to the mistrial in the slaying of her friend, Gary Colley.

## EMBASSY: Russians Complain of Massive Bureaucratic Tangle at U.S. Mission in Moscow

Continued from Page 1

find themselves treated no differently than other nationalities.

But even many American residents — and a few U.S. diplomats — complain that the American Embassy in Moscow has failed to adapt to the post-Communist era, remaining in some ways as insular and bureaucratic now as it was when under siege from a Communist government.

Paradoxically, as Russian society grows more open, the red-brick fortress-America in central Moscow seems all the more impenetrable.

Earlier this month, Sergei A. Kovalyov, a former anti-Soviet dissident who now is chairman

of the Russian Parliament's human rights committee, picketed the embassy to protest a friend's visa denial.

In an open letter in Izvestia to the American ambassador, Thomas R. Pickering, Mr. Kovalyov said his friend, Georgi P. Grigorenko — the son of another well-known dissident, the late Pyotr G. Grigorenko — was denied a visa to visit his dying stepmother because the consular officer thought he might immigrate.

"The Communist authorities did not allow Georgi to go to the States to his father's funeral," Mr. Kovalyov wrote. "Now the U.S. consular service is doing the same."

Embassy officials said he should have called the political section first, where officers would have been more likely to recognize his name and would have intervened.

Mr. Kovalyov replied that he tried to reach the one political

officer he knew, but was not put through. Finally, he telephoned a well-connected friend in Washington who called Clinton administration officials. Mr. Grigorenko was issued a visa the next day.

"I spoke to two consular officers and neither had ever heard of Grigorenko," Mr. Kovalyov said. "It's like a Russian diplomat at our embassy in Washington not knowing Martin Luther King."

Mr. Kovalyov's outrage proved embarrassing to an embassy staff that believed the visa controversy had been finally put to rest. This summer, the issue had reached a boiling point after a journalist, Yevgeniya Albats, wrote an article in Izvestia about the "humiliating" treatment she received when seeking a visa to the United States.

"It was like being in a Soviet store in the middle of the '80s," she wrote.

The article caused such a stir that the ambassador wrote a letter to Izvestia rebutting the article and explaining the consular section's constraints, which include having to interview as many as 500 applicants a day. But privately, embassy officials were dismissive about the accusations of uncouth behavior. One senior diplomat said scornfully: "The Russians should know. They are connoisseurs of rudeness."

Most embassy employees are housed in a compound of condo-style apartments. It has its own basketball court, video store, bar, gym, football field, barbecue pits, post office and

grocery store — a kind of suburban American hellscape. Residents can easily avoid contact with Russian society, and many do.

The embassy staff is large, with several new departments such as the National Aeronautics and Space Administration and the Agency for International Development, but it is difficult to gauge how much it has grown over the last five years.

Embassy officials said that their employees were exhausted and overworked, and that much embassy time was tied up receiving congressional and State Department delegations.

## ★POLITICAL NOTES★

### Losers Hope Rivals Trip on Their Tongue

WASHINGTON — Call it "Silence of the Dems." With the incoming House speaker, Newt Gingrich of Georgia, the Senate majority leader, Bob Dole of Kansas, and other Republican victors in the Nov. 8 elections celebrating the airwaves, the virtual silence of the Democratic leadership on Capitol Hill has been deafening.

To some extent, the silence reflects a tactical decision by Democratic leaders in Congress and at the White House, according to sources who asked not to be identified. Democrats hope that the flurry of hard-edged Republican oratory will frighten the public. Why join the debate, the thinking goes, if the Republicans are doing the job for them?

In addition, Democrats said they were ceding center stage because they wanted to make clear that Republicans now "own" Congress. They said that widespread public dissatisfaction with the institution would now reflect poorly on Republicans, rather than on them. (LAT)

### Clinton Unfit to Be Army Chief, Helms Says

WASHINGTON — Senator Jesse Helms of North Carolina, the Republican who will be the new chairman of the Senate Foreign Relations Committee, said Friday that President Bill Clinton was not up to the job of commander in chief.

When asked in a CNN interview whether he believed Mr. Clinton was up to the military commander in chief's job, Mr. Helms said: "No, I do not. And neither do the people in the armed forces." He said this view had been expressed by "just about every military man who writes to me."

On other issues, Mr. Helms, the Senate's leading conservative, who often opposes the administration on foreign policy, said U.S. troops should be pulled out of Haiti immediately. He also said he was opposed to U.S. troops being stationed on the Golan Heights as part of a force to monitor a possible Israeli-Syrian peace accord.

"Look, this whole peace process over there is a fraud, and you'd better look carefully at what's going on," he said. "Syria doesn't want peace. They want the Golan Heights. They want access to the pocketbooks of the American taxpayers. And I don't think we ought to police the world." (Reuters)

### Factional Battle for Senate Republicans

WASHINGTON — Senator Trent Lott's decision to challenge Senator Alan K. Simpson of Wyoming for the post of Republican whip confronts Senate Republicans with a major factional struggle that could affect the party's 1996 presidential race as well as its efforts to unite behind a legislative program in the new Congress.

The race pits Mr. Lott, 53, an aggressive conservative from Mississippi who as a House member was allied with the incoming House speaker, Newt Gingrich of Georgia, against the more moderate Mr. Simpson in what could be a turning point in determining the leadership of Senate Republicans.

But a Lott victory could force closer ties between Mr. Gingrich and the Senate Republican leadership, some of whose members have been reluctant to commit themselves to the House Republicans' "Contract With America." (R/P)

### Quote/Unquote

Senator Mitch McConnell, Republican of Kentucky, who will be the new chairman of the subcommittee that appropriates foreign aid: "I have a hard time justifying expenditures in most of the African continent. I know they have enormous problems, but I have a hard time finding an American national interest." (AP)

## Federal Transfers Undercut Sales of Closed U.S. Bases

New York Times Service

WASHINGTON — Nearly 90 percent of the U.S. military installations scheduled to shut down in the first two rounds of base closings will remain in the hands of the federal government or state or local governments, a General Accounting Office report says.

As a result, according to the report, the revenue from pending and completed property sales from these base closings has amounted to only \$92 million so far, well behind the pace needed to reach the \$1.2 billion in total sales the Defense Department had estimated.

The report, which examined 37 of the 120 bases closed by independent commissions in 1988 and 1991, dispels any no-

tion that bases are being sold to private buyers for hard cash, one of the program's original goals. Under the base-closing plan, properties can be put up for sale only after all governmental agencies and advocates for the homeless have been offered them first.

The accounting office, an investigative arm of Congress, found that 88 percent of the properties it reviewed would remain in the hands of the military or be transferred at no charge to other federal, state or local agencies.



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That's why the African Wildlife Foundation has established the Mountain Gorilla Emergency Fund. Our goal is to raise \$25,000 to re-equip the rangers, and provide park personnel with food and equipment and money to live on for the next six months.

Please send a donation to the Mountain Gorilla Emergency Fund c/o African Wildlife Foundation, 1717 Massachusetts Avenue, N.W., Suite 802, Washington, D.C. 20036, or call (202) 296-8282 for more information.

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## Snail on Sunny Day Ends Death for Sarajevo Boy

The Associated Press

SARAJEVO, Bosnia-Herzegovina — On a mild autumn day, with sunshine highlighting the colors of fading leaves, the life of 7-year-old Nermin Divovic came to a sudden end when a sniper's bullet pierced his skull as he strolled with his mother.

The child's mother, Dzenana Sokolovic, was wounded in the sniper attack Friday along the notorious thoroughfare known as "Sniper Alley." Two people were wounded in sniper attacks earlier in the day, as thousands of Sarajevo turned out to enjoy the autumn sun.

Nermin, his mother and two companions were walking down a relatively safe section of the street, when they paused to chat with a foreign television crew. Then they made the dangerous dash across an open intersection. The crackle of gunfire rang out, and Nermin fell on the sidewalk in a pool of blood. A second round hit his mother in the stomach.

The intersection is in sight of an apartment building known as the Red Madhouse — so named because of its color and because both Serbian and government soldiers hold positions in it.

After Nermin was shot, a United Nations fire department ambulance drove up and firemen placed his body in the vehicle. As his mother was helped into a van she screamed: "Where's my boy? Nobody was killed! Where's my boy?"

The government estimates nearly 17,000 children — Serbs, Croats and Muslims — have been killed in the war, 1,500 of them in Sarajevo. Two other children were killed Friday by shelling in Tuzla, in northern Bosnia.

## Bosnian Serb Planes Attack Safe Area

Reuters

SARAJEVO, Bosnia-Herzegovina — Bosnian Serb aircraft attacked the United Nations "safe area" of Bihać in northwestern Bosnia on Friday, and a missile struck the Bosnian Parliament building in Sarajevo despite UN warnings that such attacks would prompt NATO air strikes.

The United Nations confirmed that planes fired a missile in a raid on the Muslim-controlled town, but the North Atlantic Treaty Organization, whose AWACS planes monitor the area, could not confirm the attack.

A UN spokesman, Colonel Jan-Dirk Merveldt, said he could confirm the sighting of two jets, believed to be of the Orca (Eagle) type, flying at a height of 200 meters over Bihać. The last air attack on Bihać, on Nov. 9, in which an ammunition dump was destroyed, was carried out by a Bosnian Serb ground-attack Orca jet, which took off from Croatian territory.

Bosnian media said Friday's raid was carried out by two or three Serbian jets that took off from Udbina in Croatia. In Zagreb, Croatia, the United Nations said its officials had found evidence that napalm and cluster bombs had been used in the air raid on Bihać on Friday. But a UN spokesman, Paul Risley, said no casualties had been caused in the attack.

In Sarajevo, the Bosnian Parliament building's glass facade disintegrated when a missile caused an explosion that badly wounded a woman. A second missile missed its target and landed near a secondary school without exploding.

UN spokesmen said that Bosnian Serb forces fired similar missiles on the Bosnian presidency building on Thursday.

### 3 Nations Meet on War

Alan Riding of The New York Times reported from Paris:

The foreign ministers of France, Britain and Russia agreed Friday on the "absolute need" to maintain the cohesion of an international effort to end the Bosnian war following Washington's decision to stop

enforcing the UN arms embargo against the Bosnian government.

After a breakfast meeting in Paris, the three ministers proposed that they meet their U.S. and German colleagues in Brussels on Dec. 2 with a view to reviving their five-nation "contact group."

The group has been largely ineffective since Bosnia's government rejected its peace plan in August.

"We agreed on the absolute need to preserve the unity of the contact group," Foreign Secretary Douglas Hurd of Britain said after the informal meeting Friday.

Foreign Minister Andrei V. Kozirev of Russia said, "We all reject the military solution."

Differences within the contact group have flared this month, with France, Britain and Russia all sharply critical of the unilateral U.S. decision to end its enforcement of the arms embargo against Bosnia. On Wednesday, Foreign Minister Alain Juppé of France called the move a "blow to international law."

On Thursday, a U.S. State Department spokesman said Washington had told Paris that its criticism was "inappropriate and divisive." While Britain and Russia have been marginally less forthright in their comments, they, too, fear the American action could fuel the Bosnian conflict.

The three foreign ministers met in Paris because Mr. Kozirev was completing a three-day official visit here, while Mr. Hurd was accompanying Prime Minister John Major for his annual summit meeting with senior French leaders. The meeting is being held in Charles de Gaulle.

A French spokesman said that Mr. Major and President François Mitterrand agreed at a private meeting to try to persuade the United States not to pull out of enforcing the arms embargo.

The spokesman quoted Mr. Mitterrand as saying that he did not want to withdraw French peacekeeping troops from Bosnia, but that he did not wish French soldiers to be caught in the crossfire.

## Gaza's Cry: Uprising Against Arafat Has Just Begun

By Joel Greenberg

New York Times Service



Muslim militants carrying the body of a Palestinian shot and killed Friday during violent clashes with the police in Gaza.

GAZA — The Gaza police headquarters, once a bated bastion of Israeli occupation and now the nerve center of Yasser Arafat's security forces, was again the target of Palestinian rage Friday.

In scenes reminiscent of a six-year uprising against Israel, hundreds of angry youths, rocks in hand, surged for hours toward the fortress-like building, hurling chunks of stone at the compound and at Palestinian policemen who responded with bursts of heavy gunfire.

The police officers, who took over here from the Israeli Army in May, suddenly found themselves in the Israeli's boots as Gaza's seething resentment, inflamed by a deadly clash at a mosque, turned against them.

"The Jews were never as bad as this," said one protester, Fawzi Istambouli. "The uprising against Arafat has just begun."

Wailing ambulances sped through the streets, ferrying the wounded. For a while, a person was being hit every few minutes. As a crowd fled gunfire down one road, a young man, grimacing and holding his stomach, stumbled toward an ambulance. Another youth, his head wrapped in a blood-soaked sheet, was loaded into a second vehicle.

Small groups of tense policemen in blue and olive uniforms, their M-16 rifles pointing skyward, moved gingerly into the streets to disperse the crowds. As they were pelted with rocks and bottles they broke into a run, firing in the air and sometimes at the stone-throwers. Unprepared and unequipped for riot control, they relied heavily on their automatic weapons to clear the streets.

A mob tore down part of the fence surrounding the headquarters and spilled into the compound, battling policemen in the station yard. The sound of a heavy machine gun ripped through the air and the stone-throwers scattered, only to regroup and pour through the breach again.

As gunfire crackled in the streets, groups of youths crouched behind walls and at street corners, flinching as the bullets flew but then rushing

forward and shouting, "God is Greater!" They turned back two fire trucks sent to put out a blaze at a theater set on fire by Muslim militants.

Men waved their arms, rallying the protesters, while others pleaded with police officers to hold their fire. "Don't shoot at the people!" an ambulance driver shouted over his loudspeaker as he plowed through the crowds. "Everybody go home!"

One of the clashes had begun when a funeral procession for a Palestinian killed earlier in the day reached the whitewashed headquarters building, a symbol of Mr. Arafat's authority in Gaza. Mourners, many of them supporters of the militant Hamas and Islamic Jihad movements, chanted "Arafat get out!"

One youth shouted bitterly, "Bring back Rabin!" — a reference to the now departed Israeli.

But other Palestinians who watched the clashes from sidewalks and office buildings seemed more sorry than angry about this first serious outburst of internal violence since the Palestinian Authority took control of Gaza.

"This is a victory for Israel," said Khaled Faisal, who watched the clashes from his office. "They have been waiting a long time for this."

A Hamas leader who ordered the crowd to disperse blamed the clashes on "collaborators" who he said were serving Israeli interests. "Go home, otherwise there will be more dead and wounded, and that's what the Israelis want," he said over a loudspeaker.

As night fell, crowds lingered at another police station where pitched battles had been fought through the afternoon. Rocks littered the station yard, where the windshields of parked cars had been smashed. The fence surrounding the station was gone.

As more bursts of gunfire echoed through the streets, an ambulance carrying the body of a victim careened down Gaza's main shopping thoroughfare, Omar al-Mukhtar Street. Men standing at the back of the vehicle shouted: "With blood, with spirit, we will redeem you, martyr."

## GAZA: Police and Militants Clash

Continued from Page 1

watched as their outpost was set on fire.

Calm returned to the Gaza Strip on Friday night. But from noon until well after sundown, Mr. Arafat's officers fired thousands upon thousands of bullets from automatic rifles to suppress angry Gazans, whose primary weapons were rocks. Most of the firing was in the air, in a vain attempt to scare off the protesters.

But often enough, the police took deadly aim. And the streets of Gaza City echoed for hours with the staccato of gunfire and the wails of ambulance sirens.

"They're acting like the Jews," an old man screamed about the police as he watched a heavily bleeding youngster being carried from an ambulance into the Shifa Hospital emergency room, which was so overtaxed that some victims were treated on the floor.

The comparison with Israeli behavior during its occupation was made by many people. Some saw Israel's hand in the entire episode, insisting that Prime Minister Yitzhak Rabin had phoned Mr. Arafat and ordered him to carry out what Hamas in a statement called a "massacre."

"This was all done on the

orders of Rabin and Clinton," said a young Gazan as he watched a doctor tend to a relative who had been shot in the back.

At Shifa, the rage against Mr. Arafat was almost palpable as ambulances and private cars pulled up every few minutes and, for long periods, even every few seconds. "All the time Arafat talks about democracy," said Iyad Kassem, an unemployed laborer. "Now we see how democratic he is."

The Palestinian police fared no better. When a wounded officer was brought to the hospital Friday night, staff workers had to push back a surging crowd that was ready to grab the man from a stretcher and beat him.

Despite the anger, there were signs that Gazans were trying to keep the situation from spinning out of control.

At his offices, Mr. Arafat summoned his security chiefs to a strategy-planning session. There was no public comment, however, from the Palestinian leader or his aides.

Hamas, while expressing outrage over the shootings, urged calm. In fact, the clashes at police headquarters, which lasted more than three hours, did not subside until Hamas leaders urged people over loudspeakers to go home.

## Russia Is Suppressing Adoptions by Foreigners

Washington Post Service

MOSCOW — Russia will suspend adoptions by foreigners as of Dec. 1, pending the implementation of tougher laws that respond in part to nationalist concerns that too many Russian babies are being taken out of the country.

The ruling by the Education Ministry will effectively shut, at least for several months, the most popular foreign source for Americans of adoptable children. Many here charge that childless Russian couples are being deprived of children because foreigners can pay large sums to adopt them.

Adoption agencies charge as

much as \$25,000 to handle adoptions. Some Russians have charged that this is tantamount to Russia selling its children.

The agencies say that, in fact, few of the children adopted by foreigners would have been considered acceptable to Russians. Many of them had physical handicaps or were considered unhealthy.

Experts say the new law, which was given final approval Friday by the lower house of Parliament, will create new barriers for foreigners by essentially banning the adoption agencies that Americans, in particular, hire.

## BOSNIA: Gingrich Opposes Major Aid Package for a 'European Problem'

Continued from Page 1

run as high as \$4 billion, administration officials said.

They also have cautioned that any unilateral lifting of the arms embargo would so anger major U.S. allies — such as the British, French and Dutch, who together have 19,000 ground troops in Bosnia — that U.S. planes might not be allowed to use North Atlantic Treaty Organization bases.

The administration consistently has opposed any unilateral lifting of the arms embargo or outside training of Bosnian troops. But that position has been popular among lawmakers, many of whom are frustrated with the war and want to strengthen Bosnia's government forces, which are largely Muslim.

Officials concede, however, that President Bill Clinton may be hard-pressed to avert such a move after Republicans take control of Congress in January.

Defense Department and intelligence officials flatly denied a report Thursday from Europe suggesting that the United States has been sharing satellite photos and other intelligence with the Muslim-led government following Mr. Clinton's decision to stop enforcing the embargo.

The report, contained in The European, a London-based weekly newspaper, said small teams of CIA operatives were working in Bosnia to train soldiers, provide them with satellite photos and control air traffic.

The plan the administration outlined to lawmakers this past week involved essentially two alternative approaches:

First, to pour enough tanks, artillery and weapons into Bosnian government hands to give its army the same level of equipment as the Bosnian Serbs. The United States would send either American-made armor or less expensive Soviet-manufactured weapons, depending on how much Congress wants to spend.

The alternative would be to forget about sending heavy weapons and concentrate instead on exploiting the Muslims' current advantage in manpower over the Bosnian Serb rebels by equipping them with more anti-tank weapons, rocket-propelled grenades and small arms to create a more effective infantry force.

But the move would bring on a spate of problems.

Training the Bosnian forces fully would require a period of a year or more, during which time they almost certainly would come under stepped-up attacks by the Serbs, which the United States would have to counter with a substantial air campaign.

As soon as the United States lifted the embargo, Britain, France and the Netherlands would pull their peacekeeping troops out of Bosnia. Since Washington is committed to helping to evacuate them, Mr. Clinton would have to send in thousands of U.S. troops.

## DOLE: New Status Lands Probable Senate Leader in a Trade Dilemma

Continued from Page 1

session of Congress at the end of the month, has suddenly become the crucial first test for Mr. Dole, who is currently the Senate minority leader. He is trying to convince President Bill Clinton that unlike Representative Newt Gingrich, who is sooo to be speaker of the House, he is interested in compromise. He is trying to look like a statesman.

At the same time, Mr. Dole is feeling the beat from the right wing of his party, which would happily hand Mr. Clinton an embarrassing international defeat. And he has to decide whether to side with the growing numbers in his party who, after five decades of unquestioned support for free trade, now join many Democrats in arguing that it is a code word for destroying middle-class jobs and surrendering American sovereignty to an ominous-sounding group of anonymous foreign judges called the World Trade Organization.

Faced with so much pressure from so

many sides, Mr. Dole has done what he usually accuses the White House of doing on foreign policy issues: He has waffled. He likes the General Agreement on Tariffs and Trade, he keeps saying, because it will force America's competitors to lower their tariffs, stop government subsidies of companies that compete with U.S. industry and extend copyright protection to include computer software, sound recordings and movies, all strong U.S. exports.

But he has problems, he keeps saying without being too specific, with many provisions in the legislation. Late Thursday, his staff was putting together a modest list of changes that, in the words of one negotiator, would "give him a way to protect himself politically."

The White House concedes that without Mr. Dole, the trade agreement is dead. So, administration officials, in the first test of the next two years, have gone out of their way to say that they were sure that whatever Mr. Dole wanted Mr. Dole would get.

The main issue continues to be finding a way for Congress to monitor the new

World Trade Organization on a sustained basis and maintaining the threat that the United States could pull out of the agreement if the new group of international arbitrators repeatedly rules against U.S. environmental or labor laws or other regulations for imported goods.

But Mr. Dole's problems with the trade pact have less to do with the accord than the polarizing issues that lie beneath its surface. Many in the Republican Party said the Nov. 8 election was a landslide because Republicans finally won over white high-school educated men whose incomes have stagnated in the past decade.

They are the workers most hurt by free trade rules that allow in more foreign imports. And they are the ones who are least likely to move to the new industries — in high technology and in service industries — that the administration believes will continue to be the cutting edge of America's export drive into world markets.

But GATT is overwhelmingly supported by Mr. Dole's core constituencies, the people likely to finance a presidential bid.

## RELIGION: Besieged by Modern Woes, South Korea Searches Its Soul

Continued from Page 1

Maintenance and safety inspections were not performed rigorously, and the city failed to act on a 1993 warning from its road maintenance department about the bridge's dangerous condition. Traffic exceeded the amount for which the bridge was designed, and weight limits

on trucks were frequently ignored in the rush to move goods and people around the city.

"It's the abuse of the bridge that brought the catastrophe, not the bridge itself," said Pak Byung So, a professor at So-gang University and an expert on Seoul's traffic conditions.

Immediately after the accident, Mr. Kim apologized, saying that the catastrophe was the result of his own lack of virtue.

### Basque Suspect Killed In Battle With Police

Reuters

BILBAO, Spain — A suspected member of the Basque separatist group ETA died and a policeman was critically wounded in a shoot-out Friday after the police stopped a stolen car at a roadblock in the Basque country of northern Spain.

A police spokesman said three people were traveling near Galdakao in a car that they had seized after a botched attempt to kill an army sergeant. Two of the car's occupants, Angel Irzabalbeitia and his wife, Lourdes Churruea, were wounded and hospital sources confirmed later that Mr. Irzabalbeitia had died. The police said they had arrested the third person, a suspected ETA leader identified as Koldo Martin Carrion.

So far, 15 city government and construction company employees have been arrested in connection with the accident.

Neither Mr. Lee nor the president of the construction company has been arrested, though.

The accidents have lowered Mr. Kim's popularity, although it is clear he was not personally responsible. Opposition parties demanded the resignation of the cabinet, but no-confidence votes against the ministers in the National Assembly were easily defeated.

Some analysts say that the bridge collapse is part of an inevitable stage a developing nation must pass through, just as Japan suffered cases of serious illness caused by pollution from its breakneck industrialization. They say that the bridge disaster will serve as a catalyst for reform.

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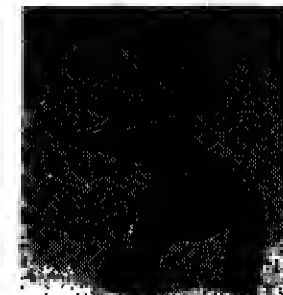


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Exhibition: *Alberto Giacometti, Orangerie des Tuilleries*, Paris,  
October 15, 1969 - January 12, 1970, n° 110, reproduced p. 62.



Marc CHAGALL, *Jardins de Saint-Paul* (1973), Oil on canvas signed and dated at lower right, 80.5 x 116.5 cm.

Exhibition: *Marc Chagall, les années méditerranéennes*, Venice, July 24 - October 30 1994, n° 32, p. 66.

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## British Art, French Eyes

**PARIS** — Each nation sees its neighbors through the tinted glasses of its own preconceived ideas. How the French looked at British art in the last 200 years can be judged from the show "D'outre Manche: L'art britannique dans les collections publiques françaises" at the Louvre until Dec. 19.

British painting in French public collections says more about the French than anything else. It is as if someone had been commissioned to study haute cou-

### SOURN MELIKIAN

ture from George III to Queen Victoria. While 18th-century Britons were busy rifling the greatest Claude Lorrains, the French collectors at that time had never heard of British landscape painting, nor had their 19th-century successors.

In fact, the 18th-century French buyers had never heard of *l'art anglais*, in striking contrast to the constant exchange of ideas in the literary field.

There were only quirky exceptions. One is shrouded in mystery. How one of the most important works on vellum by Isaac Oliver, "The Entombment," dated 1616 (his son Peter added finishing touches), left the



"The Entombment" by Isaac Oliver.

English royal collection in the 1770s to surface around 1800 in the Musée des Beaux Arts at Angers has yet to be explained. An unreported piece of skulduggery? Or an unrecorded present to some French envoy? It certainly looks more French, *École de Fontainebleau* style, than English. Oliver was the son of a Protestant refugee from Rouen, who may owe a spot of Flemish influence to his brother-in-law Marcus Gheeraerts.

Another mystery surrounds the purchase of "Little Samuel Praying," painted by Reynolds in 1777. The Old Testament prophet is seen as a little boy with curly hair kneeling in his white nightshirt, as soppy as a Grenze. It was sent in 1778 to, or by, a "Monsieur Chamier" in Montpellier, at a cost of 50 guineas. Later, it was bequeathed to the Musée Fabre, where the name Chamier is recorded.

There is a whiff of adventure in the East to the third picture, a double portrait of Shuja ud-Dawla, Nawab of Oudh in India, and his son Mirza Mani, done by Tilly Kettle in 1772. It was acquired against all probability by a Frenchman who arrived in India in 1752 and fought against the English. In 1765, Jean-Baptiste Joseph Gentil helped negotiate the Benares Treaty between the English and the Nawab, whom he befriended in the process. The Frenchman was invited to live at the court of Oudh. There, he saw the painting and one day commissioned an Indian artist to execute miniature interpretations of it. After giving one as a present to the Nawab who received it rapturously, Gentil was allowed to take the oil painting to France.

Curiously, the discovery of English landscape painting by French artists who admired it in the 1820s had no impact on collecting. Richard Bonington, while in France, painted Norman urban scenes and also bold landscapes in a sketchy manner, such as the admirable view of Versailles now in the Louvre but, alas, not in the show. Constable sent his work to the Salon in 1824.

In 1825, Thomas Lawrence, then a European celebrity, was sent to Paris by George IV to portray the

newly crowned Charles X. While the French king sat for him in the Palais des Tuileries, Lawrence met the Duchesse de Berry. The young woman had been married to the king's son, who was assassinated in 1820. She presumably asked Lawrence to portray her as well. And so it was that Marie Caroline de Bourbon-Deux Sèvres, wearing an ivory satin dress and a chiffon hat, her lips slightly open and her dreamy eyes shyly averted, was given the appearance of an English rose. But neither the pretty, and even facile, portrait of the duchesse, nor the royal likeness, induced the French establishment to follow suit.

It was left to the stolid bourgeois King Louis-Philippe to form the first French collection of English painting. Well, almost. At his request, the American painter George Healy copied some 30 "English" pictures, throwing in one or two by fellow Americans in the lot. They are now in the Versailles museum but were not deemed worthy of the Louvre show. Louis-Philippe then turned to exotica, as people bored by art frequently do. In 1845, the king bought two landscapes from John Glover, an artist who moved to Australia in 1831 at the age of 64.

In one, aboriginals in the nude are dancing around a brushwood fire in the middle of a clearing, surrounded by huge trees plunged in darkness. The painter identified the scene on the back: "A Corrobory of Natives in Vandiemans Land by J. Glover. October 1st 1840. I have seen more enjoyment in such occasion than I ever saw in Ball Room in England." Another landscape with aboriginals running under the same huge trees, while the sun lights up a distant mountainous barrier, seems equally remote from mainstream English painting.

Louis-Philippe persisted a year later when he bought the portrait of Shuja ud-Dawla and Mirza Mani, again not the most English-looking scene.

It took another three decades before French collectors stepped in, gingerly. A Paris judge, Joseph Audiffred, had an eye for excellent painting and was intrigued by the English school. Yet, he, too, chose works that came closest to Continental models. He bought two portraits of a couple by Thomas Hudson, one dated 1749, which the catalogue summarily dismisses as "flattering and stereotyped."

The woman, painted three-quarters length in a satin dress "à la Van Dyck," is hardly that. Under the appearance of formality, there lies a penetrating psychological study, enhanced by the very conventions of attire and posture. The inscrutable blue eyes, the faint shadow of a smile, the commanding dignity, are not easily forgotten.

**B**ARON Gustave de Rothschild lived up to the family tradition by acquiring in 1874 one of the grandest portraits by Gainsborough. Like Hudson's portrait, the life-size likeness of Lady Alston is totally formal, yet powerful and superbly done. But it does have much in common with the French grand manner.

Court-style portraits seemed to sum up English art in the eyes of the best French collectors. Nelly Jacquemart, the wife of Edouard André, went to London where she bought, in 1899, one of Reynolds's great masterpieces, the portrait of Captain Torry, about whom nothing is otherwise known. Toned down by the British polish, he has the ferocity of a Florentine condottiere. With his narrow oval face in which the eyes are set too close, his thick sensuous lips, and his mannered, slightly effeminate posture, he looks threatening.

But landscapes remained virtually absent from French acquisitions until World War II. Two Constable masterpieces were donated to the Louvre in the 19th century, both by Britons. One was donated by Constable's son Lionel Bicknell, the other by John Wilson, a collector living in Brussels. The first unforgettable masterpiece bought by a French museum, "Lake Nemi" by Joseph Wright of Derby, was acquired by the Louvre as late as 1970. A great Stubbs (not a pure landscape) entered the museum in 1984. This year, the catalogue says, the Louvre appointed a curator, Olivier Meslay, to "expand and embellish" the collection of English paintings.

In market terms, it is a bit late in the day. The museum could have acquired all it wanted in the 1960s and 1970s, the years when Paul Mellon was building up his fabulous collection at one fifth or less of the price he would have to pay now. Luckily, the French taxpayer can pick up the bill for whatever may still be available.



Gainsborough's "Lady Alston."

## More Is Less in Cologne

By David Galloway

**C**OLOGNE — Since 1968, the international art world has celebrated its Rites of Autumn in this Rhineland capital for one turbulent week in November. For collectors, critics, curators and gallerists, "Art Cologne" has become a seismograph of market trends and emergent fashions. It is the largest event of its kind, though perhaps not the fairest of the fair. By common consent, Basel has a handsomer profile, but "Art Cologne" is more international and, at least on the fringes, demonstrates conspicuously more pizzazz.

This year's installment, which closed Wednesday, provided a forum for a record total of 320 galleries from 22 countries and, with 72,000 visitors, topped up an all-time high in attendance. Breaking records has itself become an indispensable aspect of the autumnal rituals. The juggling with superlatives, however, only thinly obscures a common complaint that the Cologne extravaganza has grown too big for its britches. Stretching through three vast halls with a total area of 42,000 square meters (50,400 square yards), the show seems to make physical fitness a prerequisite for the connoisseur.



"Dance" by Alexander Archipenko at Cologne show.

**T**HE general mood of this year's fair was one of cautious optimism. London's Todd Gallery sensed that the modest but consistent upswing in the German economy was making collectors more adventurous. Todd was one of 26 international galleries invited to show the work of a single young artist in a separate space provided by the organizers. Todd's choice was Joanna Kirk, whose larger-than-life pastel portraits are executed with virtuoso trompe l'oeil precision that stands in ironic contrast to the homeliness of her subjects — and buyers were not shy.

Düsseldorf's Hans Mayer enjoyed a similar success with the mixed-media drawings of the American artist Michael Ray Charles. Priced at 6,000 to 10,000 Deutsche marks (\$4,000 to \$6,600), the works quickly sold out. Mayer, however, does not believe the popularity was only a result of the prices but also of "a renewed interest in innovation."

There was, to be sure, no shortage of blue-chip, museum-quality works: a Mondrian classic at the London gallery Amey Juda for 8 million Deutsche marks; Picasso's "Seamstress" (1906) at Witroek for 2.9 million marks; an Yves Klein "Anthromorphie" at Gmurzynska for 1.2 million marks. Absent, however, were

the high-rolling collector-speculators who once whipped out their checkbooks on the spot and added such choice commodities to their portfolios. But the ebb in the market has again made room for the specialist collector who deliberates before making a decision.

By general agreement, "Art Cologne" offered exceptional quality in works by established talents. The tendency to counter recession with something-for-everyone presentations, which made many recent fairs resemble flea markets, was largely absent. But younger, more innovative tendencies by no means suffered as a result of the new selectivity. Indeed, by absorbing a competitive event entitled "Unfair," Cologne lent the avant-garde a new legitimacy.

"Unfair" was founded three years ago by gallerists dissatisfied with the commercial and largely conservative trends that they saw as dominating the market. What started as an alternative to "Art Cologne," however, came to be regarded by some as a threat to that institution. Meanwhile, in the pursuit of originality, "Unfair" ran up a deficit that taught the organizers basic lessons about a market economy. Ultimately, they agreed (in return for a debt-clearing cash payment) to join "Art Co-

logne" and surrender their claim to the title "Unfair."

These and other like-minded galleries, all committed to promoting the art of the 1990s, were clustered in one hall, Hall 5, that bristled with energy and sheerchutzpah. The art ranged from stringently reductionist through erotic-environmentalist-genetic to punk-funk-junk.

One can either applaud this extension of the fair's aesthetic range or deplore the establishment takeover. In either case, a gargantuan fair becomes even larger and less coherent.

If less is not always more, neither is more always more. Despite the contagious energy of Cologne's annual art bash, it is hard to resist the feeling that communication within the art world increasingly resembles a bombardment by MTV.

**W**HAT is missing is the clarity of vision that Maria de Corral, winner of this year's "Art Cologne" prize, brought to her curatorial work, first at "La Caixa" in Barcelona, then at the Reina Sofia Museum in Madrid. Two weeks before the prize was awarded, de Corral was relieved of her duties by Spain's minister of culture. The director's conflicts with the establishment were the result of a growing tendency to measure the success of an exhibition by attendance figures. The fact that three other Spanish museum directors resigned their posts in protest has great symbolic, humanistic value, but the numbers game mentality prevails. Even in Cologne.

David Galloway is an art critic and free-lance curator based in Wuppertal, Germany.

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# Herald Tribune

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## A Safety Net for Ukraine

The Ukrainian Parliament's overwhelming vote on Wednesday to make Ukraine a nuclear-weapon-free country is a terrific piece of news for that country, the United States and Russia. The vote, by a Communist-dominated legislature regarded as otherwise resistant to reform, eases one of the nastier regional/global crises of the post-Cold War period.

For three years Ukrainians had hedged on ratifying the Nuclear Nonproliferation Treaty as a non-nuclear state. Some wanted to retain a nuclear option. Others wanted to bargain their inherited Soviet missiles, which they did not have the technology to launch or the money to properly store, for status, security guarantees and economic aid. Finally, a newly elected reform president, Leonid Kuchma, carrying the credentials of a former missile factory director, brought the Parliament around. Ukraine's brush with nuclear disaster at Chernobyl doubtless facilitated the result.

The United States helped by keeping on the pressure, organizing security guarantees from other nuclear powers and mustering sizable incentives, including economic aid and nuclear dismantlement. Mr. Kuchma arrives in Washington next week to be hailed for his difficult and responsible policy and to be encouraged to stride seriously along his chosen

path of internal market development. The urgent requirement is for Europe to join the United States in putting up the funds to weave a safety net under his promises of reform.

Russia is sometimes thought of as a potentially greedy and disrespectful Big Brother to Ukraine. But the Yeltsin government, subduing much Russian nationalism, has played an integral role in winning Kiev's cooperation in disarmament. Large Russian and Turkmenian loans, stretched out partly at American nudging, keep debt-ridden Ukraine in oil and gas.

With Ukraine's accession to the non-proliferation treaty, moreover, the door is unlocked to America's and Russia's further missile cuts in accordance with their earlier treaties to reduce strategic arms. Ukraine has delayed unconsciously in rejecting Communist ways. The country's distress is immense and practically paralyzing. This is no small, forgettable country on the edge of things. It is large and in the center of the new Europe, and its collapse would become Europe's greatest post-Communist disaster. There is a last-chance quality to the Kuchma policy of settling the nuclear question, opening up new ways of cooperation and proceeding with reform. That's why the United States must be there.

—THE WASHINGTON POST

## The Dust Around Gingrich

Watching the first days of Speaker-in-waiting Newt Gingrich is a little like watching the start of a buffalo stampede. There is a lot of dust in the air, but it is impossible to tell exactly what is going to get trampled.

In his initial instructions to his followers in the House of Representatives, Mr. Gingrich unveiled some ideas that could earn him a place as a historic reformer and some others that would put him alongside the worst of the Democratic hacks he helped defeat.

His instincts on committees and committee chairmanships seem basically sound. He passed over some seasoned time-servers in favor of more vigorous junior members. That is a healthy precedent and shows a willingness to overturn the Democratic habit of rewarding congressional survivors with power out of proportion to their talents.

Mr. Gingrich's approach contains a lesson for Bob Dole, the Senate's once and future majority leader. Mr. Dole's blind embrace of seniority-as-usual is about to elevate some dubious choices, including Strom Thurmond of South Carolina, 91, as chairman of the Armed Services Committee, and Bob Packwood of Oregon, as chairman of the Finance Committee, despite his ethics problems.

While Mr. Gingrich's decision to override seniority is healthy, it is not a guarantee of quality. For example, his decision to reward tobacco interests by making a Virginian, Thomas Bliley, the chairman of Energy and Commerce, suggests that while Mr. Gingrich campaigned as a populist he will not get in the way of corporations.

On the positive side, his proposal to limit committee chairmen to six years is an inspired reform. The Democrats use their

tradition of chairmen-for-life to keep good legislation off the floor and to protect special interests. Similarly, Mr. Gingrich's promise to ban proxy voting is a fine idea. House members make a fair salary; it will not burn them to show up in person to vote. The requirement might also provide the impetus for further trimming of unnecessary committees that tie up members' time and provide them with an excuse not to appear on the floor.

But Mr. Gingrich's anti-tax ideology has led him to defy common sense and legislative history with his proposal to require a three-fifths vote to pass tax increases. As a trained historian, he has to know that he is importing to the House the most harmful and discredited procedural rule of the Senate.

Filibusters and super-majorities are antithetical to orderly representative government. They are foundation stones of gridlock. Mr. Gingrich has a right to his wacky prejudice against any and all revenue measures and even to demagogue the issue during campaigns. But to limit the ability of the House to legislate in a reasonable way with traditional majority rules is irresponsible.

Mr. Gingrich has one more supremely bad idea that causes one to wonder if he fully understands the Republican victory he so skillfully managed. He would abolish the House Ethics Committee and farm out its functions to ad hoc committees of the highly partisan House Administration Committee. The voters threw out the Democrats in part because they thought that a bunch of crooks protected by an old-boy leadership. Mr. Gingrich seems inclined to abandon his pledge to clean house and to move into the messiest room vacated by the Democrats.

—THE NEW YORK TIMES

## My Genes Made Me Do It

The debate over genetic "predispositions" and their policy implications was once purely speculative. Not anymore; accelerating advances in gene mapping, especially in locating the genes that cause particular diseases, have brought the speculations uncomfortably close to reality. The furor over the Charles Murray-Richard J. Herrnstein book on genes and intelligence is one example of this uneasy awareness; another is the protests that lead to flare up whenever government-funded researchers focus too closely on the possible links between genetic factors and criminal behavior. Critics' concerns about misuse of such information range from inability to get health insurance to curtailment of civil liberties. But few can have gone so far as to anticipate the case, described recently by the Wall Street Journal, of a Georgia man named Steven Mobley, who is appealing his death sentence for murder on the grounds that he was genetically predisposed to commit it.

Mr. Mobley's argument can be seen as an extension not just of gene-based thinking but of the push to plead leniency based on circumstances, or to make out accused criminals as victims. It is unlikely to be important as law, since appeals to disadvantage of other kinds have proved of limited effect in reversing death sentences. Its real significance is as a map of the odd directions genetics-based reasoning can take.

Two aspects of the plea by lawyers for Mr. Mobley are in stark contrast to expectations of those who fear genetic information's misuse. First, that its use would be primarily against African-Americans (Mr. Mobley is white) and second, that it would be a weapon of prosecutors or other authorities seeking to predict guilt or assert scientifically likely guilt, rather than factually determine guilt for a crime that has already been committed. Mr. Mobley's lawyers offer the novel suggestion that he is a murderer because lots of people in his family are murderers and that this inborn aggression meant an inborn lack of control over his actions.

This line of argument has more in common with responsibility-lifting "victim defenses" like those of the Menendez brothers in the murder of their parents than with the specter of preventive detention for large groups of people ruled "predisposed" to commit crimes. They have in common, though, one key factor: the reduction of criminal behavior to the product of some collection of outside forces. Whether your genes are grounds for leniency or grounds for deprivation of liberties, they falsely imply patterns of behavior untouchable by the workings of individual choice and will power. Either way, it is a dead end and a terrible basis for public policy and judicial decisions.

—THE WASHINGTON POST

## Reaction Abroad Underestimates the Change in America

By Stephen S. Rosenfeld

WASHINGTON — From Boris Yeltsin has come a rather calm reaction to the "victory of the conservatives" in the American elections. A "certain toughening" in American foreign policy and military posture can be expected, the Russian president says. As for the policy implications, he thinks Moscow will have to reach out to the Republicans "so as to level out our relations" with Washington.

Similar signs of more or less measured concern have come from other international quarters. There is an appreciation that U.S. foreign policy is the product of several hands, only one belonging to the next speaker of the House of Representatives, Newt Gingrich.

Mr. Yeltsin knows something about parliamentary challenges to presidential policy. He is not not to overreact to a development in Washington that can only complicate his effort to tame conservatives and nationalists in his own opposition.

Perhaps no area of American

foreign policy has enjoyed more consensus and continuity in the Bush-Clinton years than matters involving Russia. Bet on Boris: That has been the policy. But now some considerable part of the party controlling Congress is not so ready to bet on Boris. Mr. Clinton has a problem. So does Mr. Yeltsin.

To see the specific shape it may take, you can read the foreign policy chapter of the Gingrich-sponsored House Republican credo, "Contract With America." A National Security Restoration Act, which is meant to be submitted to an early vote in the new Congress, would restrict American participation in UN peacekeeping, "reinvigorate" a full-fledged continental anti-missile defense, "accelerate" the expansion of NATO and zero in somehow on a defense funding "shortfall." All of these issues bear more or less directly on the interests of Russia and many other countries.

The Clinton policy has not been so successful and effective as to admit of no Republican correction. On almost all of the items above that the Republicans highlight, the administration had already been backing off, shuffling to the right and reducing its political exposure. Its feeling is palpable that it is unfair to be further crowded just as it was making headway. But it is not unfair. It is merely uncomfortable. The administration's own mistakes in foreign policy contributed to the overall vulnerability that the Republicans exploit on Nov. 8.

That leaves everyone having to deal with the Republicans' new hard edge. It is of the old-fashioned sort, bearing on power. For instance, the new-age question that dominated Mr. Clinton's Asia trade trip — whether the human rights component of American policy is in the right balance with the commercial component — is not a Gingrich priority.

The Republicans' implicit premise is that notwithstanding America's emergence from the Cold War as the one world-class great power, its security is not ensured but needs to be bolstered. Their further implication is that Russia has not conclusively turned the Communist corner but retains a capacity for menace.

Meanwhile, the Republicans are at pains to protect the United States from suffering incursions upon its sovereignty or its freedom of movement by international bodies such as the United Nations.

All of these premises are, of course, open to challenge. The reading of American insecurity is willfully lopsided in its emphasis on strictly military threats and its neglect of demonstrably live threats and burdens arising from ethnic rivalries, global poverty, population, drugs, migrations and so forth.

The scarcely concealed fear of a now-broken and foundering Russia's hostile rebirth (hence the call for a big anti-missile shield) is

a parody of the hardheaded thinking one has a right to ask of defense conservatives.

The hostility toward the United Nations and toward cooperative action in general ignores the reality of the American veto. It also evades the question of who else besides the UN is going to deal with all the global disorder that is bound to be left over after the United States takes care of the part of its special concern.

At its best, the evolving policy of George Bush and Bill Clinton — both of them foreign policy realists and pragmatists — represents an attempt to adapt to find late 20th century circumstances.

The Gingrich policy, if that is what it is, is different. It looks backward nostalgically to a hard and in some ways heroic single threat time. But that time has given way to a world that is less apocalyptic and more democratic, while at the same time more disorderly and less stable. Gingrich Republicans need to catch up.

The Washington Post

## Americans Are Setting Their Sights Too High

By Anthony Lewis

BOSTON — "Why do we want to kill our presidents?" A doctor asked me that the other day, and left me wondering whether there is something about the American system, or the American psyche, that now makes the presidency a hopelessly vulnerable institution.

"With the exception of Reagan, who was sui generis," he said, "we have cut off every president for nearly 30 years: Johnson, Nixon, Ford, Carter, Bush. Now it looks as if the same will happen to Clinton. We don't just say they failed at this or that. We say they failed as human beings, and we seem to get satisfaction from that idea. There's almost a glee about it: 'Boy, he really was terrible.'"

With each of those presidents one can find a fault that led to his undoing. Mr. Johnson dug the country into the disaster of Vietnam. Mr. Nixon was responsible for the lies and abuses of Watergate. And on and on.

Vietnam and Watergate, moreover, had lasting effects on the institution. Americans ceased to believe presidents, to assume their good faith. The press became hostile, and has remained so. It did not give Bill Clinton even a brief honeymoon.

President Clinton, too, has inflicted many wounds on himself. From Zed Baird to Lani Guinier, from Bosnia to prayer in schools, he has repeatedly failed to stand on principle. But the doctor's point was that something larger is going

on. Whatever the mistakes of this president or that, we Americans want to find some fundamental, personal flaw in the man. Is that so?

What is undoubtedly true is that Americans expect far too much of their federal government nowadays. In a vast country,

**They expect Washington to prevent local crime and repair family life across a vast nation.**

they think Washington can and should prevent local street crime. They expect it to repair family life, and make sure their incomes rise.

And the president is the great symbol of national government. Americans lay on him almost the personal burdens that King Henry V felt the night before the battle of Agincourt in Shakespeare's play: "Upon the King! Let us our lives, our souls, our debts, our careful wives, our children and our sins lay on the King!"

At least since the New Deal, we Americans have had this romantic notion of what presidents ought to do for each of us. Asking for the impossible, we are bound to be disappointed. As in a failed romance,

we turn bitterly on the one who has failed us. So the theory might go.

Now we are evidently returning to the pre-New Deal political system, congressional government. However much resolve Mr. Clinton can summon up, the legislative agenda is likely to be set by the newly dominant Republicans in Congress. It is there in Newt Gingrich's "Contract With America," and no one should doubt the seriousness of his intention to carry it out.

Will the planned Republican measures fulfill expectations? Mr. Gingrich has taken some welcome procedural steps, such as shaking up the House seniority system. But what about the nation's substantive problems? The rise in illegitimate births, especially among teenagers, is one such problem. Will a denial of welfare benefits to illegitimate children — the idea being discussed by Republicans — solve the problem? Will poor teenage girls change their sexual habits if the government takes their babies away and puts them in Gingrich orphanages?

Or crime. Longer sentences and more prisons have not affected the level of crime noticeably so far. Will even more savage policies turn the growing population of young men without hope into good citizens?

The economy is the problem causing the most profound discontent. Real per-capita income has been stagnant or declining for



years. The rich have grown dramatically richer, while the middle class struggles to keep afloat.

Some of the Gingrich contract's economic ideas are appealing: the \$500 tax credit per child, for example. But the huge cost of the various proposed tax cuts would make the deficit balloon or require cuts in Social Security, Medicare and like entitlements on a similar scale. Will such a package ease frustrations?

The concern is not an idle or a partisan one. Frustrated expectations can exact a heavy cost in politics. They can turn people against the whole idea of representative government. Unless political leaders begin to talk honestly about the limits of what they can produce, the present cynicism and anger may become dangerous.

The New York Times

## In a Postwar Snit, They Decided to Take a Chance on a Revolution

By Charles Krauthammer

WASHINGTON — In July 1945, Britain held its first election since the start of World War II. Prime Minister Winston Churchill was fresh from saving Britain (and much else). But a grateful nation threw the bum out. The rebuff was nicely timed to humiliate Churchill. He was unceremoniously yanked from the Potsdam Conference (with Joseph Stalin and Harry Truman) and replaced by the new Labor prime minister.

Meanwhile, across the Atlantic, voters had to wait a year to vent their anger on the party that had gotten them triumphantly through the Great Depression and World War II. Americans threw out their bums, the Democratic Congress, in the 1946 Republican landslide. And that was

a reprise of the huge defeat they had handed Democrats in 1920, a thank-you-and-goodbye for victory in World War I.

Which brings us to the great Democratic debacle of 1994. Of the myriad reasons advanced to explain the November disaster, the historical context has been largely overlooked: This is a postwar era.

It does not feel as postwar as 1920 or 1946, but postwar it is and in this century postwar elections have not been kind to the ruling party. The Cold War was a world war, not as bloody as the first two, but just as bitter and far more protracted and corrosive. Its end came with the fall of the Berlin Wall, and we have

been living in a postwar environment ever since.

That environment is usually marked by a kind of postpartum depression, an uneasiness and anxiety otherwise incomprehensible in the face of peace abroad and relative prosperity at home. A state of melancholic agitation fills the gap between our expectations of what the world would be like when the great struggle was won and the mundane imperfections of the postwar world as it turned out to be.

George Bush was the first beneficiary of that feeling, thrown out of office in 1992 for reasons partly of recession, partly of inertia, but partly of irrelevance. A man of war — his career spanned

world war, Cold War and Gulf War — seemed ill-fitted for the postwar times ahead.

This year it was the turn of the Democratic Party, custodian of Congress for 40 years. Through the Cold War, it held the United States together with a social agenda for domestic tranquility that consisted of baying off the poor and discontented with a generous welfare state. "Fire insurance," Evan Thomas of Newsweek once called it.

The apotheosis of this social-peace-through-social-welfare approach was the 1994 crime bill with its billions of "prevention" dollars to induce would-be criminals not to be — the theory being that they cannot be expected to "say no to crime" if the federal government does not first give them dance classes and such "to say yes to."

That approach has now run its course, as has the party that pioneered it. The Republicans this year ran on a platform radically rejecting Democratic social theory and promising radical reform. The voters responded by giving them a blank check.

In a postwar world one can take such chances. We Americans took a chance on a neophyte president two years ago. We shall now take a chance on a revolutionary Congress.

The conventional wisdom is that voters turned to the Republicans because of a sense of insecurity. On the contrary. It is a profound, if subliminal, sense of national and international security that allows voters the kind of postwar gyrations we saw in '92 and now '94. In time of emergency, it is a lot harder to take a leap in the dark.

This phenomenon is not confined to America. The leap-in-the-dark impulse is obvious

worldwide. As The Washington Post's Jim Hoagland has noted, the last two years have seen the epochal collapse of the governing Cold War parties in most of the leading Western countries. Italy experienced a political revolution that vaporized the Christian Democratic Party. It had ruled since World War II. In Japan, the Liberal Democratic Party lost power for the first time since 1955.

The French Socialists were decimated in parliamentary elections. And Canada saw the greatest electoral catastrophe of them all. The ruling Tories went into last year's election with 154 seats. They came out with two. That should be consolation to today's grieving Democrats.

When the war is over, people turn inward. Traditionally, that is understood to mean indulging isolationist sentiment and reducing international commitments. But it also means turning a more critical eye on the reigning political establishment.

Voters are less willing to submit to leaders, often grown arrogant and corrupt, who kept them going through dangerous times. They are quite prepared to take chances, whether on Italy's Silvio Berlusconi, on Japan's prime minister-of-the-month, or on America's own Newt Gingrich, former parliamentary guerrilla, now co-president of the United States.

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## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Figaro in Mourning

PARIS — We regret to announce the death of M. Francis Magnard, the eminent editor-in-chief of the *Figaro*. [The *Herald* says in an editorial.] The Parisian press — it might almost be said the press of the whole world — has sustained a cruel loss. M. Magnard was the recognized representative, in Parisian journalism, of average ideas; he was the type of the lettered bourgeois, and his short articles, written in a language worthy of the greatest writers of the eighteenth century, were masterpieces of common sense. It was by this quality, as much as by his spirit, that he had obtained a marked influence over French public opinion.

### 1919: Christmas Bombs?

PHILADELPHIA — [From our New Year edition:] Official warning was scattered broadcast

through the United States today [Nov. 19] that members of a radical organization in the large cities are planning to send infernal machines to federal, State and municipal offices as Christmas gifts.

### 1944: Tirana Is Freed

LONDON — [From our New Year edition:] Tirana, capital of the tiny Balkan kingdom of Albania, occupied by the Italians and then by the Germans for five and a half years, has been liberated by Albanian partisans, Berlin admitted in effect tonight [Nov. 18] by announcing a withdrawal of German troops from that city of 21,000 population. Tirana is the fifteenth European capital to be freed from Axis domination since June 4. European capitals still remaining in Nazi hands are Budapest, Prague, Vienna, Warsaw, Amsterdam, Copenhagen, Oslo and Berlin.

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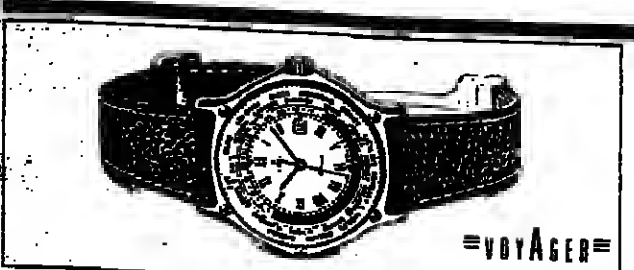
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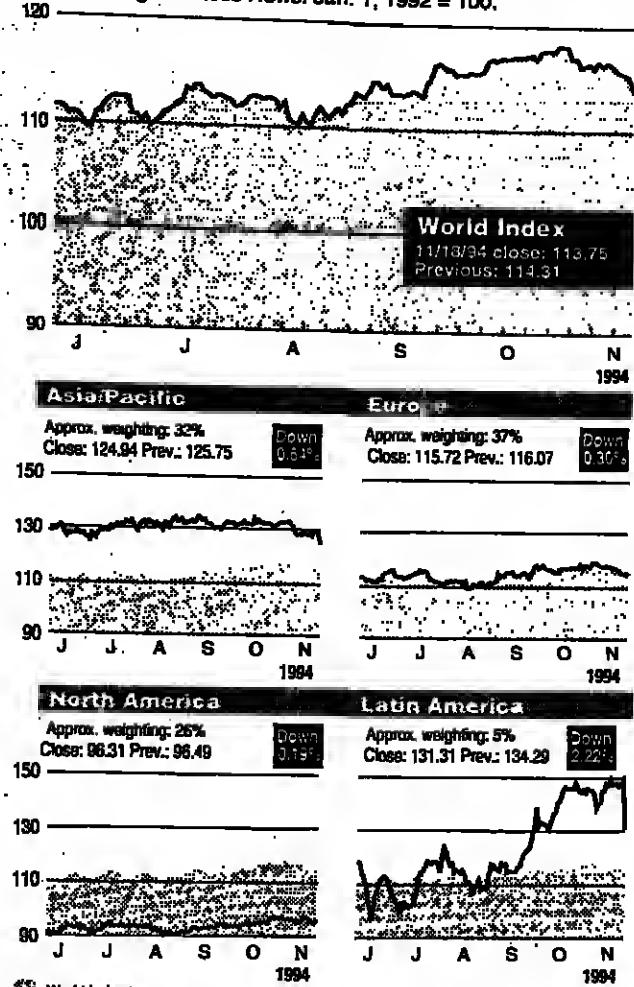
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**THE TRIB INDEX: 113.75**  
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar value of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization; otherwise the ten top stocks are tracked.

**Industrial Sectors**

	Tot.	Prev.	%		Tot.	Prev.	%
Energy	112.96	113.74	-0.67	Capital Goods	114.82	115.28	-0.38
Utilities	126.56	127.78	-0.95	Raw Materials	131.71	132.75	-0.78
Finance	112.53	113.28	-0.66	Consumer Goods	105.08	105.12	-0.04
Services	116.04	116.72	-0.58	Miscellaneous	121.85	122.40	-0.45

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

## BAe Puts Price Up In Battle For VSEL

By Richard W. Stevenson  
New York Times Service

LONDON — British Aerospace PLC struck back Friday in one of the biggest takeover fights in Britain's military contracting industry.

The company increased its offer for VSEL PLC, a submarine maker, to try to top a bid by General Electric Co. of Britain.

British Aerospace's new offer gave VSEL's shareholders a choice of £14 (\$22.06) a share in cash or 3.3 British Aerospace shares, which at Friday's closing price of £4.46 would be worth £14.72.

The offer valued VSEL at £573 million and gave British Aerospace a slight edge over General Electric's current offer of £14 a share in cash.

British Aerospace also renewed its call for General Electric's bid to be referred to anti-trust regulators at the Monopolies and Mergers Commission, a step that would complicate General Electric's efforts and perhaps doom its bid.

General Electric said it would respond to British Aerospace's new bid "in due course."

The battle for VSEL, Britain's only submarine maker, is part of a gradual consolidation in the nation's weapons business. British Aerospace, the country's No. 1 military contractor, and General Electric, which is No. 2, are both positioning themselves for intensifying worldwide competition.

British Aerospace shares fell 20 to close at 446 pence on the London Stock Exchange. VSEL surged 90 to 1,488, while General Electric rose 2 to 288.

## The Sleeping Giant Stirs HSBC Tries to Recapture Its Market

By Kevin Murphy  
International Herald Tribune

HONG KONG — The Hongkong & Shanghai Banking Corp.'s capital markets team has decided to begin flexing a major muscle long gone soft.

Regional bond, derivative and foreign exchange markets are still growing dramatically, but even its rivals admit Asia may not be big enough for everyone if the newly formed HSBC Markets improves its game.

"We've had to respond to competitive pressures from U.S. investment banks in particular," said Stuart Gulliver, head of treasury and capital markets for HSBC Markets, during a visit to a new 60 million Hong Kong dollar (\$8 million) dealing room described as the largest in Asia outside Japan.

Given their dominance of Hong Kong's corporate scene, a vast regional network and hefty balance sheets, Hongkong & Shanghai Banking and its wholly owned subsidiary, Wardley Holdings Ltd., should never have allowed the Americans, or anyone else, much more than a capital markets beachhead in Hong Kong.

But a combination of complacency and distraction with absorbing Midland Bank PLC of Britain, which HSBC bought for £3.6 billion in 1992, left the door to Hong Kong open for eager rivals.

Foreign investment banks have swarmed on Hong Kong over the past three years, hiring executives and bringing the latest financial instruments and technological innovations to a market keen to catch up with the rest of the world.

"They had the whole market to themselves in the past, but they left plenty of room for others to take some of their clients away from them," a capital markets executive said of the recent performance of HSBC Holdings PLC, the parent company of Hongkong & Shanghai Banking.

Many of Hong Kong's leading corporate names, HSBC's traditional customer base, have recently tapped international finance markets for cash using a variety of means and calling on Wall Street companies.

But Mr. Gulliver is ready to fight back with HSBC Markets, the result of merging Wardley's treasury operations with a Hongkong & Shanghai Banking team strengthened by the Midland Bank takeover.

"We now feel we have the products and technology to complement our traditional strong relationships," Mr. Gulliver said. "But it won't be automatic. The competition will be strong."

HSBC Markets has hired 31 new traders and sales people for its foreign exchange, derivatives and fixed-income operations and

See BANK, Page 10

## U.S. Deficit Takes a Turn For the Worse

Bloomberg Business News

WASHINGTON — The U.S. trade deficit took a turn for the worse in September, widening 4.6 percent to \$10.13 billion, as Americans' appetite for imported goods continued to climb and as U.S. manufacturers' exports unexpectedly weakened.

Imports of computers and other high-technology equipment set a record in September, as did the trade gap with China. The Commerce Department said in the report released Friday. But the merchandise trade deficit with Japan and the European Union narrowed during the month.

The news of the decline in the trade gap with Japan slightly boosted the dollar, which rose to 1.5553 Deutsche marks from 1.5525 DM on Thursday and climbed to 98.580 yen from 98.330 yen.

Many traders and analysts expect the dollar to remain weak against the yen and the mark until the U.S. trade deficit shows dramatic improvement. At the same time, however, the weak dollar deals a punishing blow to both Japanese and German exporters when they sell their dollars for yen and marks in order to send profits home.

The September results represented a reversal from August,

when the deficit narrowed 13.5 percent to \$9.68 billion. At the current pace, the 1994 trade deficit in goods alone is on target to climb to \$148.8 billion — second only to the \$152.1 billion shortfall in 1987 — after a \$132.58 billion gap last year.

Supporters of the proposed world trade pact, which is intended to lower barriers to commerce worldwide, said the new report made its approval in a lame-duck congressional session this month all the more critical.

"Unless Congress gives the U.S. and world economies a shot in the arm by passing the GATT Uruguay Round Agreement, future trade data reports will be more of the same," said Willard Workman, the international vice president at the U.S. Chamber of Commerce.

Opponents countered that the trade agreement would not do anything to reduce U.S. trade deficits.

"There have been eight GATT agreements signed in the postwar era," said Representative Marcy Kaptur, Democrat of Ohio. "America's excess of imports over exports has been increasing astronomically every year since the mid-1970s."

The trade deficit remains stubbornly high, in part because

See TRADE, Page 10

## Matsushita Seeks MCA Plan

Reuters

TOKYO — Matsushita Electric Industrial Co. said Friday it would draw up a medium-term business strategy for MCA Inc., its U.S. film unit, suggesting it is trying to repair a rift with top managers at MCA.

At a news conference, Motoo Matsuda, Matsushita's director of accounting, finance and auditing, said the absence of a medium-term strategy in the past and Matsushita's lack of familiarity with the film business had caused the dispute. Mr. Matsuda said MCA was not for sale.

Speculation about MCA's future flared this autumn when Sidney Sheinberg, MCA's president, and Lew Wasserman, its chairman, criticized Matsushita's management and said they would resign unless Matsushita granted them greater autonomy.

Matsushita made its announcement one day after its rival Sony Corp. took a \$2.7 billion write-off related to problems with its purchase five years ago of Columbia Pictures.

## ECONOMIC SCENE

### Clean Air Through Markets

By Peter Passell  
New York Times Service

NEW YORK — Opening the door to a lower-cost method for reducing so-called greenhouse gases that contribute to global warming, two big electric utilities announced a first-of-its-kind deal Friday to trade air pollution allowances.

The agreement by Niagara Mohawk in upstate New York and Arizona Public Service in Phoenix is the first in which the right to emit one type of pollutant is being swapped for the right to emit another.

The agreement may eventually lead to an international trade in pollution allowances. That is because part of the deal involves using a portion of the million-dollar proceeds from a tax break to experiment with reduction of climate-warming emissions outside the United States.

Government officials are promoting the idea of allowing utilities in the United States to meet potential future obligations to comply with international agreements by shopping abroad for the least-expensive ways to cut greenhouse gases.

At first, the experiments will be modest. One reportedly high on the utilities' list is a plan to generate electricity in India with waste heat from sugar refineries that now just goes up the stack. Another is reforestation in Mexico, where Arizona Public Service is already building strategic alliances with electric utilities.

But the experiments could deliver immense benefits in the future. Almost all of the cheapest opportunities for reducing emissions of gases that are warming the atmosphere lie

outside North America, Western Europe and Japan.

Modernizing electricity production in China, for instance, offers one of the best prospects because the economy there is growing rapidly, requiring China to burn enormous amounts of coal in highly inefficient power plants.

"If we are going to deal with climate warming efficiently," said Robert Stavins, an environmental economist at Harvard University, "there will have to be international trading in which Western countries get credit for reducing emissions elsewhere."

The Clean Air Act of 1990 put a cap on utilities' emissions of sulfur dioxide, a by-product of fuel burning that contributes to acid rain. But it lets utilities to meet their obligations by buying emissions "allowances" from other companies.

This market-based approach is already saving utility consumers \$400 million to \$600 million a year, according to the Environmental Protection Agency.

It works because one utility that finds a cheaper way to cut emissions can profit by doing more than the law requires, selling the right to pollute to another utility that would have found it more expensive to achieve those reductions itself.

Arizona Public Service can easily meet some of the requirements of the law in its own territory because it earlier agreed to pay for equipment to reduce the haze above the Grand Canyon. In the process, it is reducing sulfur emissions.

Niagara Mohawk also is in good shape because it relies on huge amounts of nonpolluting coal.

See POLLUTION, Page 13

## VW Sets Goal Of 340,000 Skodas by '97

Bloomberg Business News

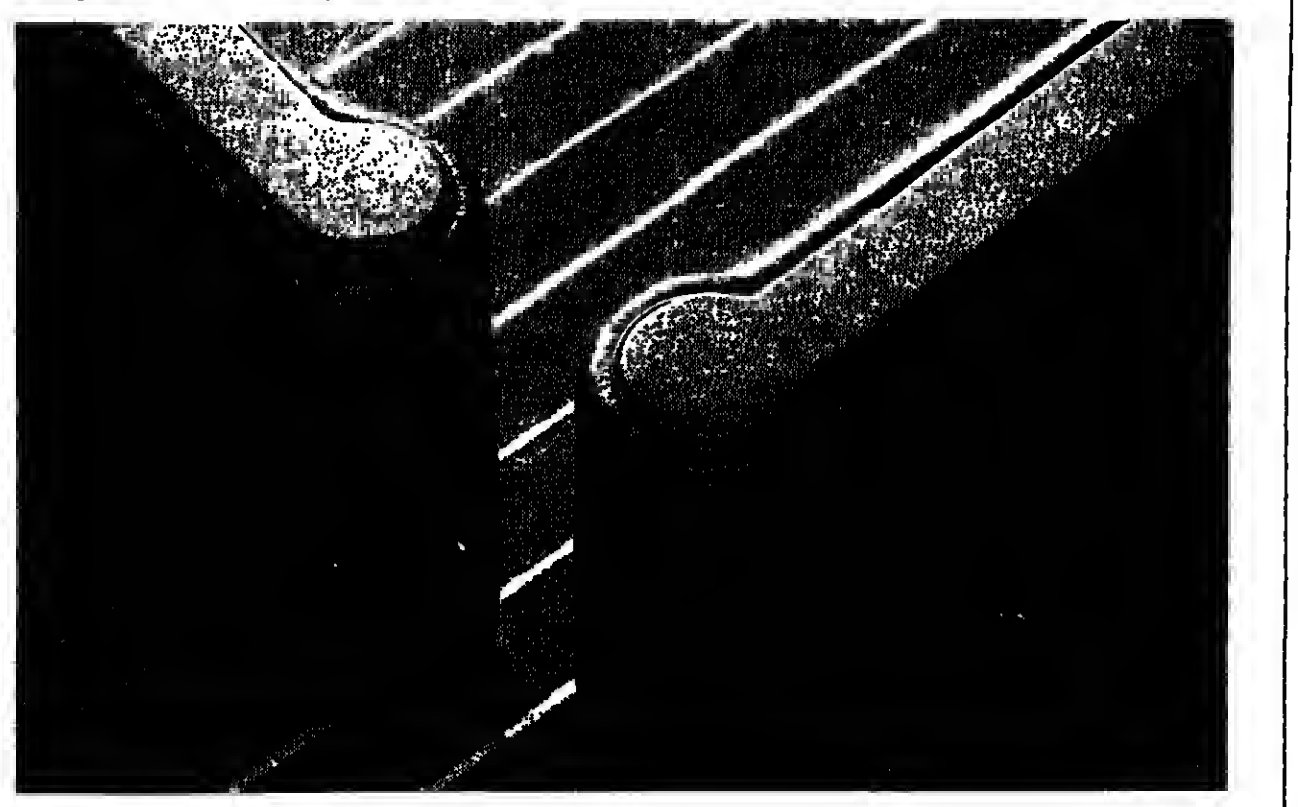
PRAGUE — Volkswagen AG, ending more than a year of negotiations with the Czech government, agreed Friday to produce 340,000 vehicles at its Skoda car unit by 1997.

The new target level, outlined in an amendment to Volkswagen's 1991 investment agreement for Skoda, cuts the German company's original goal by 50,000 but still exceeds the output figure of 300,000 that VW officials had suggested in recent months, amid disappointing sales in Eastern Europe.

Last year, Skoda produced a total of 219,612 vehicles and had a loss of 4.2 billion koruny (\$150 million).

Skoda officials said that by 1997 they could justify production of 340,000 vehicles through sales in the Czech Republic and Western Europe. They would produce the new Skoda Felicia, Felicia station wagon and Felicia pickup truck, to be built next year, and an additional midsize car planned for later this decade.

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**CURRENCY & INTEREST RATES**

Nov. 18

**Cross Rates**

	Nov. 18	Nov. 17	Nov. 16
American dollar	1.5474	1.5474	1.5474
British pound	1.5474	1.5474	1.5474
French franc	1.5474	1.5474	1.5474
German mark	1.5474	1.5474	1.5474
Japanese yen	1.5474	1.5474	1.5474
Swiss franc	1.5474	1.5474	1.5474
U.S. dollar	1.5474	1.5474	1.5474

**Eurocurrency Deposits**

	Nov. 18	Nov. 17	Nov. 16
1 month	5.50%	5.50%	5.50%
3 months	5.50%	5.50%	5.50%
6 months	5.50%	5.50%	5.50%
1 year	5.50%	5.50%	5.50%

**Key Money Rates**

	Nov. 18	Nov. 17	Nov. 16
U.S. dollar	1.5474	1.5474	1.5474
British pound	1.5474	1.5474	1.5474
French franc	1.5474	1.5474	1.5474
German mark	1.5474	1.5474	1.5474
Japanese yen	1.5474	1.5474	1.5474
Swiss franc	1.5474	1.5474	1.5474

**Other Dollar Values**

	Nov. 18	Nov. 17	Nov. 16
American dollar	1.5474	1.5474	1.5474
British pound	1.5474	1.5474	1.5474
French franc	1.5474	1.5474	1.5474
German mark	1.5474	1.5474	1.5474
Japanese yen	1.5474	1.5474	1.5474
Swiss franc	1.5474	1.5474	1.5474

**Forward Rates**

	Nov. 18	Nov. 17	Nov. 16
American dollar	1.5474	1.5474	1.5474
British pound	1.5474	1.5474	1.5474
French franc	1.5474	1.5474	1.5474
German mark	1.5474	1.5474	1.5474
Japanese yen	1.5474	1.5474	1.5474
Swiss franc	1.5474	1.5474	1.5474



# MARKET DIARY

## Interest-Rate Fears Send Prices Down

Compiled by Our Staff From Dispatches  
NEW YORK — Stocks tumbled Friday on renewed concerns that rising interest rates would hinder the economy and slow corporate earnings.

The Dow Jones industrial average closed 12.79 points, to 3,815.26. Financial stocks were the worst hit.

Two stocks declined for every one that advanced on the New York Stock Exchange, where volume totaled 352.8 million shares.

Part of investors' concern is that higher interest rates make money-market funds and other less risky investments more attractive than stocks.

The benchmark 30-year Treasury bond fell 1/32, to yield 8.13 percent, up from 8.12 percent on Thursday.

"You're seeing the tide going out in financial stocks," said Cummings Catherwood, managing director at Rutherford, Brown & Catherwood Inc. in Philadelphia. "This pump up in rates has created a mood of depression."

Bank America fell 1/4, to 39 3/4. Bankers Trust New York dropped 1/4, to 57, and Mellon Bank declined 1/4, to 33 1/4.

Investors were unconvinced that the Federal Reserve Board's aggressive 0.75-percentage-point interest rate increase on Tuesday would be enough to head off inflation.

The most active share on the NYSE was Sports Authority, which ended unchanged, at 24, after the company made an initial public offering of 12.3 million shares at \$19 each.

Auto and auto-related stocks fell, as analysts worried that higher interest rates could cut off car sales. General Motors slipped 1/4, to 37 1/4, and Chrysler fell 1/4, to 48 1/4. Good-year Tire & Rubber, which fell 1/4, to 33 1/4.

Amgen's agreement to acquire Synergen sparked rallies in other biotech stocks amid speculation of more mergers.

Merck rose 1, to 38. Novell rose 5/16, to 19 1/4, and Lotus Development rose 1/4, to 42 1/4, after reports that Dean Witter Reynolds had suggested Oracle could be considering buying Novell or Lotus.

Charter Medical fell 1/4, to 23 1/4, after its loss from continuing operations widened in the fourth quarter.

Autodesk closed 4 1/4 higher at 38 1/4, after the maker of computer software for engineers and architects said earnings in its third quarter ended Oct. 31 rose to 32 cents a share from 30 cents.

General Electric ended down 1/4, at 48 1/4. (Bloomberg, AP)

## TRADE: U.S. Deficit Gets Wider

Continued from Page 9

cause the American economy is growing more quickly than in most other major trading countries.

Imports of goods and services rose 0.3 percent in September to \$69.8 billion, while exports of goods and services

declined 0.5 percent to \$59.6 billion.

At the same time, economists are counting on the U.S. export machine to continue growing.

"As opposed to other sectors of the economy, we expect international trade to contribute to U.S. economic growth in the coming quarters," said Donald Straszheim and Bruce Steinberg, economists at Merrill Lynch.

"Many countries, like Japan and Germany, are emerging from a period of economic malaise and should continue to grow," they wrote. "That global pick-up in economic growth rates will allow U.S. exports to rise while our domestic demand

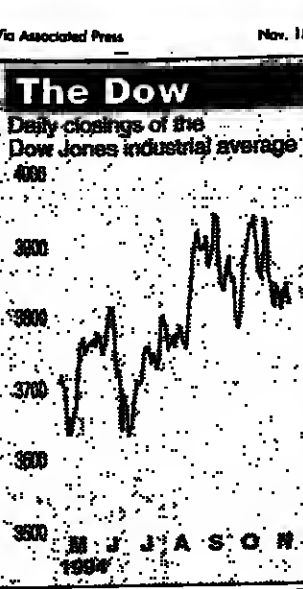
slows. The result should be an improving trade deficit."

The merchandise trade deficit with China widened 7.9 percent in September to a record \$3.49 billion. For the first nine months of the year, the deficit with China totaled \$21.09 billion, up from \$16.72 billion a year earlier.

In contrast, the merchandise trade deficit with Japan narrowed 7.4 percent in September to \$5.37 billion, the lowest since May. The big swing was due to a \$730 million month-to-month decline in Japanese vehicle exports to the United States, presumably linked to the high value of the yen.

Japan's trade surplus with the United States totaled \$47.27 billion for the first nine months of the year, compared with \$42.25 billion a year earlier.

Against other currencies, the dollar rose to 1.3185 Swiss francs from 1.3050 Swiss francs Thursday and to 5.3410 French francs from 5.3345 francs. The pound fell to \$1.5660 from \$1.5718.



Nov. 18

NYSE Most Active

Symbol	Vol.	High	Low	Last	Chg.
IBM	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
Microsoft	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
Oracle	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
Novell	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
Lotus	1,000,000	42 1/4	41 3/4	42 1/4	+1/4

AMEX Most Active

Symbol	Vol.	High	Low	Last	Chg.
Goldman Sachs	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
JP Morgan Chase	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
Bank of America	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
Wells Fargo	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
Citigroup	1,000,000	42 1/4	41 3/4	42 1/4	+1/4

NASDAQ Most Active

Symbol	Vol.	High	Low	Last	Chg.
Intel	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
Motorola	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
Qualcomm	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
Advanced Micro Devices	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
ATI	1,000,000	42 1/4	41 3/4	42 1/4	+1/4

AMEX Stock Index

Symbol	Vol.	High	Low	Last	Chg.
AMEX	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
AMEX	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
AMEX	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
AMEX	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
AMEX	1,000,000	42 1/4	41 3/4	42 1/4	+1/4

Dow Jones Bond Averages

Symbol	Vol.	High	Low	Last	Chg.
Dow Jones	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
Dow Jones	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
Dow Jones	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
Dow Jones	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
Dow Jones	1,000,000	42 1/4	41 3/4	42 1/4	+1/4

NASDAQ Diary

Symbol	Vol.	High	Low	Last	Chg.
NASDAQ	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
NASDAQ	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
NASDAQ	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
NASDAQ	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
NASDAQ	1,000,000	42 1/4	41 3/4	42 1/4	+1/4

AMEX Most Active

Symbol	Vol.	High	Low	Last	Chg.
AMEX	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
AMEX	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
AMEX	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
AMEX	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
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AMEX	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
AMEX	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
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AMEX	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
AMEX	1,000,000	42 1/4	41 3/4	42 1/4	+1/4

NASDAQ Diary

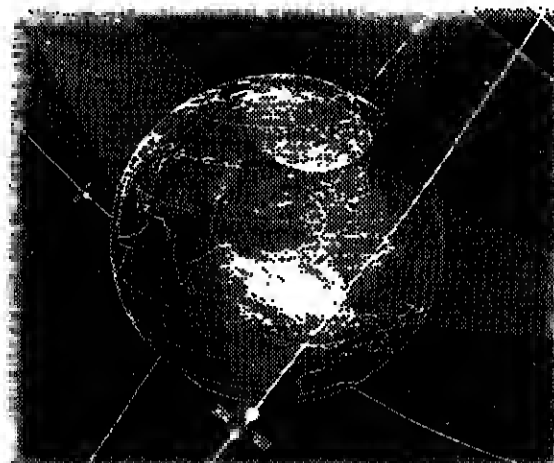
Symbol	Vol.	High	Low	Last	Chg.
NASDAQ	1,000,000	100 1/4	99 3/4	100 1/4	+1/4
NASDAQ	1,000,000	50 1/4	49 3/4	50 1/4	+1/4
NASDAQ	1,000,000	42 1/4	41 3/4	42 1/4	+1/4
NASDAQ	1,000,000	19 1/4	18 3/4	19 1/4	+1/4
NASDAQ	1,000,000	42 1/4	41 3/4	42 1/4	+1/



# Astronomical cost has kept the future of personal communications up in the air.

We've just  
brought it  
down  
to Earth.

Today's market is clamoring for truly portable, global personal communications. But the costs of such a system — costs that will ultimately come out of the consumer's pocket — have remained dauntingly high. Until today. Because today we launch the Odyssey™ system, a constellation of medium-earth orbit (MEO) satellites. In a world in which most people lack access to even basic telephone service, this satellite-based mobile communication system will provide convenient, effective, consistent communications to subscribers around the globe. And it will do so at a price that compares favorably with cellular service.



Directed antenna coverage concentrates service on land masses worldwide. Dual-satellite coverage provides even greater assurance of reliable communications.

## FROM URBAN CENTERS TO THE MOST REMOTE CORNERS OF THE GLOBE

The Odyssey handset, essentially a palm-sized earth station, will operate in both cellular and satellite modes. Where terrestrial service exists, the Odyssey system will augment it, regardless of regional or carrier compatibility. Where it is absent or interrupted, your handset will link you directly — and transparently — to an Odyssey satellite.

MEO virtually eliminates the voice delay of geostationary (GEO) satellites and minimizes the shadowing effect of buildings and other obstacles that interrupts low-earth orbit (LEO) and cellular systems.

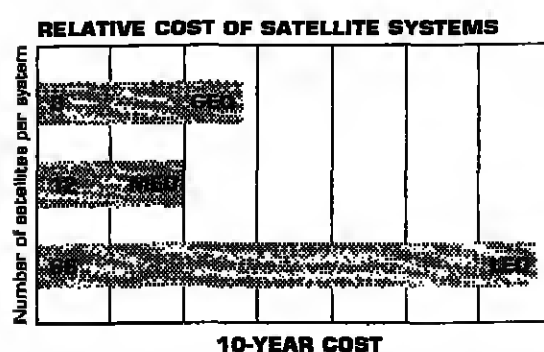
## A JOINT VENTURE OF TRW AND TELEGLOBE

For more than three decades, TRW Inc. has stood at the forefront of space communications, enjoying a worldwide reputation built on innovation, reliability and technical excellence. Teleglobe Inc., through its subsidiaries, operates one of the world's most extensive digital telecommunication networks and is a quickly emerging leader in the global mobile arena.

Together, TRW and Teleglobe create the driving force behind Odyssey.

## THE BEST VALUE FOR THE USER

Simpler technology and faster start-up are scheduled to bring Odyssey into global service in 1999, before any other system. Superior service and minimal user cost will attract subscribers worldwide.



Licensing authority for the Odyssey system is expected in early 1995. Unlike other systems, it will use frequencies already allocated for this type of service

and components derived from proven TRW technology. Initial start-up costs will be 60 percent lower than for the two other major systems in a recent study.\* And Odyssey's constellation price will be fixed. Estimating over a 10-year period, replacement satellites for the other systems evaluated will give Odyssey an even more dramatic cost advantage. Just as importantly, subscriber projections indicate that Odyssey will offer the best value for the end-user.

Today, TRW and Teleglobe forge a new alliance to launch Odyssey. For more information, please contact:

North America & South America  
(New York) Tel.: 212 903 4267  
Europe (London) Tel.: 081 247 0123  
Asia (Hong Kong) Tel.: 852 845 1008



the adventure is just beginning

\*A Reevaluation of Selected Mobile Satellite Communications Systems  
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licensed user







## EUROPE

## Metallgesellschaft Sees Turnaround

Compiled by Our Staff From Dispatches  
FRANKFURT — Metallgesellschaft AG, the German metals and mining company that almost went bankrupt in January, said Friday that it expected to post an operating profit of well over 100 million Deutsche marks (\$65 million) in the financial year that will end on Sept. 30, 1995.

The company said that as of the year ended Sept. 30, 1994, it had freed its balance sheet of all foreseeable risks from its U.S. unit, MG Corp., which ran up billions of dollars in losses on oil deals. MG had burdened the balance sheet with 2.9 billion DM of losses.

Metallgesellschaft reported a preliminary net loss for that

year of 2.7 billion DM, 37 percent more than in the previous year and well above its forecast.

The company repeated that it planned to propose a new set of capital measures to its shareholders at a meeting scheduled for March 23.

Robert Willis, analyst with Schroder Securities in London, said the loss of 2.7 billion DM was "horrendous."

"One really has to wonder if there's any equity left," he said. "They clearly only exist because of bank support."

"The fact that capital measures are still necessary is going to be kind of upsetting for the market on Monday," said Lynn Reinhardt, analyst at Barclays de Zoete Wedd Deutschland.

Metallgesellschaft said the funds needed to put its balance sheet in order had mostly been raised through a series of divestments carried out this year.

In a statement released after a supervisory board meeting, the company said the board had made clear to the supervisors that it was now seeing a relatively positive development only a matter of months after it had run into crisis.

"Without MG Corp., the operating loss would have been 365 million marks at September 30, 1993, and 69 million marks a year later," Metallgesellschaft said.

"Since June 1994 we have been seeing positive results," it said. "That means that all the

goals which the board set for itself in the previous year have been reached."

The company said that its bank debt had been sharply reduced to 3.1 billion DM at the end of September from 7.4 billion DM at the end of last year. It said that on Sept. 30 it had liquid assets of around 3.1 billion DM.

The company has undergone a rapid restructuring in recent months, divesting assets, cutting jobs and lowering its costs. Its two former top managers, summarily dismissed in December, are currently under investigation for possible breach of shareholder law.

(Reuters, Bloomberg, Knight-Ridder, APX)

## EU Telecoms Pact To Bring Firms Major Savings

Compiled by Our Staff From Dispatches

BRUSSELS — The European Union's decision to abolish all telecommunications monopolies in 1998 is the signal that the industry has been waiting for and could unleash a flood of new investment in the sector, analysts said Friday.

The accord late Thursday came after a meeting of telecommunications ministers from the 12 EU nations.

The drive to liberalize telecommunications markets has been fueled by a business lobby hoping to reduce the industry's dependence on high-cost monopolies.

The deal will result in "dramatic savings" for businesses, said Keith Mallinson of Yankee Group Europe, a consulting firm.

But the ministers remained divided over how soon existing telecommunications networks owned by companies such as railroads or cable-TV networks could begin competing with state-owned telephone networks.

The Union's executive body, the European Commission, said such alternative networks should be allowed to carry phone services from next year. The commission warned it may use its monopoly-breaking powers to force that market open.

Karel van Miert, the EU competition commissioner, said he had refused to sign a declaration that would have prevented him from using the commission's antitrust powers.

The decision to abolish telecommunications monopolies in 1998 should bode well for the planned strategic alliance of Deutsche Telekom, France Telecom and Sprint Corp., Wolfgang Bötisch, the German posts and telecommunications minister, said.

Deutsche Telekom and

France Telecom want to take a 20 percent stake in Sprint, the third-largest long-distance carrier to the United States, for more than \$4 billion. The alliance must be approved by the U.S. Federal Communications Commission.

Chris McFadden, an analyst with Merrill Lynch in London, said, "The FCC has been waiting for this decision."

"It will have interesting consequences for the likes of AT&T and Sprint," he added. "It's also good news for the BT-MCI alliance and will provide bigger opportunities for German companies like Veba and Mannesmann."

The deal grants Spain, Portugal, Greece and Ireland an option to delay opening their markets until 2003.

In Britain, which liberalized its markets 10 years ago, competition is already fierce. Energis Communications Ltd., which is owned by the national power company, promises businesses savings of as much as 40 percent for services carried on its network of fiber-optic cable laid across the national power grid.

Veba, the German energy group that plans to spend 6 billion Deutsche marks (\$4 billion) in the next few years on telecommunications, has a deal with Deutsche Bahn AG, a railroad company, to set up a national phone network to compete with state-owned Deutsche Telekom.

The most direct benefits will be felt by operators of cellular phone networks, corporate networks and data networks, because they will be able to use their own cable to connect with the network of local operators rather than lease lines.

(Reuters, AP)

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3300	2200
2200	3200	2100
2100	3100	2000
2000	3000	1900
1900	2900	1800
1800	2800	1700
1700	2700	1600
1600	2600	1500
1500	2500	1400
1400	2400	1300
1300	2300	1200
1200	2200	1100
1100	2100	1000
1000	2000	900
900	1900	800
800	1800	700
700	1700	600
600	1600	500
500	1500	400
400	1400	300
300	1300	200
200	1200	100
100	1100	0

Sources: Reuters, AFP

International Herald Tribune

## Very briefly:

- Hapag-Lloyd AG said it would order 16 Boeing 737-800s for 1 billion Deutsche marks (\$644 million).
- Ferruzzi Finanziaria SpA and its main operating subsidiary, the chemical company Montedison SpA, expect about break-even results this year as debt reduction continues. Montedison's director-general said.
- Boelwerf Vlaanderen NV, Belgium's last major shipyard, said it would file for bankruptcy after regional authorities and Royal Begemann Group NV failed to agree on a rescue deal.
- Grupo Financiero Banamex-Accisal SA of Mexico and Aegon NV of the Netherlands plan to provide insurance in Mexico.
- Glaxo Holdings PLC's chairman said sales were slowing in the first four months of the company's financial year and the company was considering offering stock buybacks or special dividends.

AFP, Bloomberg, Knight-Ridder, AP, Reuters

## Olympic Air Gets Last Bailout

ATHENS — Greece's ailing state carrier Olympic Airways must radically restructure or close down, Transport Minister Thanasis Tsouras said Friday, outlining a Socialist government bill for the company's survival.

The bill, which was submitted to Parliament on Friday and expected to be voted on this month, calls on the company's 9,900 employees to accept wage

freezes, early retirement and

benefit cuts. It outlines a four-year survival plan that was approved by the European Commission in July that allows the state to assume Olympic's \$2 billion debt but puts an end to state funding in the future. It also guarantees company loans of up to \$378 million to buy new planes.

"This is the last money Greeks will pay for Olympic," Mr. Tsouras said.

## LVMH Trims Guinness Stake

Agence France-Presse

PARIS — The LVMH luxury products company has sold 4 percent of Guinness PLC, in which it held a 24-percent share, for \$334.8 million (\$527 million).

The sale put into effect an accord between LVMH Moët Hennessy Louis Vuitton SA and Guinness aimed at unwinding ties between the two.

LVMH said it sold the shares Friday for 457 pence a share. It bought the shares in 1989 at 390 pence.

## Surging Orders Give ABB a Boost

Agence France-Presse

ZURICH — The Swiss-Swedish group ABB Asea Brown Boveri Ltd. announced Friday that its profit after financial expenses but before taxes and exceptional costs jumped 21 percent for the year's first nine months, to \$674 million from \$572 million in the year-ago period.

It also said that orders for the period rose 11 percent, to \$22.58 billion, while the order backlog at the end of September had risen 16.8 percent, to \$33.3 billion.

The company's nine-month net profit weighed in at \$444 million, up from only \$187 million for the comparable period last year. The increase was largely due to exceptional expenses of \$161 million incurred in the first nine months of 1993.

ABB's net result for last year was only \$68 million because the group had to set aside provi-

sions of almost \$600 million to finance substantial internal restructuring in Western Europe and North America.

Operating profit for the first nine months this year after depreciation was calculated was \$1.65 billion, up 16 percent from last year.

The company said that demand for its standard industrial products "rose constantly" over the first nine months.

SCA Raises Outlook After Profit Surges  
Svenska Cellulosa Aktiebolaget AB, a Swedish forestry company, said its nine-month pretax profit after financial items jumped 102 percent, to 1.59 billion kronor (\$216.45 million), Bloomberg Business News reported from Stockholm.

The company said it had lifted its full-year pretax profit forecast to a range between 2.1 billion kronor and 2.3 billion kronor.

## POLLUTION: Trade in the Right to Pollute Could Spawn Global Deals

Continued from Page 9

luting hydropower to meet the needs of its customers.

The utilities signed a Climate Challenge Accord in April 1994, a voluntary agreement proposed by the White House to do their part in meeting America's international treaty commitment to keep emissions of greenhouse gases under the levels produced in 1990.

William E. Davis, chief executive of Niagara Mohawk, said the company hoped to demonstrate that its method offered a better approach than "command and control regulations by Congress."

Niagara Mohawk said it expected no difficulties in hitting its greenhouse gas target. But Arizona Public Service does:

"Demand for power in our service area is growing at double the national rate," said O. Mark DeMichele, the chief executive of Arizona Public Service, and "power consumption is already three years ahead of projections."

The Arizona utility thus needed help, which was forthcoming from Niagara Mohawk. Under a deal brokered by the Environmental Defense Fund, the New York utility agreed to absorb 1.75 million tons of Arizona Public Service's obligation to reduce carbon dioxide emissions in return for 25,000 tons of sulfur dioxide allowances.

Since Niagara Mohawk has no foreseeable need for the sulfur allowances, the utility plans to donate the allowances to a

nonprofit group, as yet unnamed, which will retire them permanently.

Niagara Mohawk still benefits because it will be able to claim a corporate income tax deduction of about \$150 a ton.

Utilities have been exchanging sulfur dioxide allowances for cash for some time, both in private agreements and through a commodities exchange maintained by the Chicago Board of Trade.

The Climate Challenge Accord deliberately offered utilities maximum leeway in meeting emissions reduction targets — anything from insulating houses to subsidizing electric cars.

The deal between Arizona Public Service and Niagara Mohawk shows that American util-

ities may be able to fulfill their obligations even more cheaply by finding foreign sources of pollution that they agree to clean up.

The Department of Energy, which has been pot-so-quietly urging such experiments, plans to help by amassing a data base to be used for arranging international trades and verifying compliance.

The deal does have a few weak spots. This is not a free lunch for everyone: Some of the money to finance the experiment is coming from taxpayers in the form of deductions for the sulfur emissions. More is coming from consumers and stockholders, since the utilities could choose instead to sell their extra sulfur allowances for a profit.

## NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month	High	Low	Div	Yld	PE	100	High	Low	Latest	Chg
100	90	80	1.00	4.00	15.00	100	100	90	1.00	4.00
110	100	90	1.10	4.10	15.10	110	110	100	1.10	4.10
120	110	100	1.20	4.20	15.20	120	120	110	1.20	4.20
130	120	110	1.30	4.30	15.30	130	130	120	1.30	4.30
140	130	120	1.40	4.40	15.40	140	140	130	1.40	4.40
150	140	130	1.50	4.50	15.50	150	150	140	1.50	4.50
160	150	140	1.60	4.60	15.60	160	160	150	1.60	4.60
170	160	150	1.70	4.70	15.70	170	170	160	1.70	4.70
180	170	160	1.80	4.80	15.80	180	180	170	1.80	4.80
190	180	170	1.90	4.90	15.90	190	190	180	1.90	4.90
200	190	180	2.00	5.00	16.00	200	200	190	2.00	5.00
210	200	190	2.10	5.10	16.10	210	210	200	2.10	5.10
220	210	200	2.20	5.20	16.20	220	220	210	2.20	5.20
230	220	210	2.30	5.30	16.30	230	230	220	2.30	5.30
240	230	220	2.40	5.40	16.40	240	240	230	2.40	5.40
250	240	230	2.50	5.50	16.50	250	250	240	2.50	5.50
260	250	240	2.60	5.60	16.60	260	260	250	2.60	5.60
270	260	250	2.70	5.70	16.70	270	270	260	2.70	5.70
280	270	260	2.80	5.80	16.80	280	280	270	2.80	5.80
290	280	270	2.90	5.90	16.90	290	290	280	2.90	5.90
300	290	280	3.00	6.00	17.00	300	300	290	3.00	6.00
310	300	290	3.10	6.10	17.10	310	310	300	3.10	6.10
320	310	300	3.20	6.20	17.20	320	320	310	3.20	6.20
330	320	310	3.30	6.30	17.30	330	330	320	3.30	6.30
340	330	320	3.40	6.40	17.40	340	340	330	3.40	6.40
350	340	330	3.50	6.50	17.50	350	350	340	3.50	6.50
360	350	340	3.60	6.60	17.60	360	360	350	3.60	6.60
370	360	350	3.70	6.70	17.70	370	370	360	3.70	6.70
380	370	360	3.80	6.80	17.80	380	380	370	3.80	6.80
390	380	370	3.90	6.90	17.90	390	390	380	3.90	6.90
400	390	380	4.00	7.00	18.00	400	400	390	4.00	7.00
410	400	390	4.10	7.10	18.10	410	410	400	4.10	7.10
420	410	400	4.20	7.20	18.20	420	420	410	4.20	7.20
430	420	410	4.30	7.30	18.30	430	430	420	4.30	7.30
440	430	420	4.40	7.40	18.40	440	440	430	4.40	7.40
450	440	430	4.50	7.50	18.50	450	450	440	4.50	7.50
460	450	440	4.60	7.60	18.60	460	460	450	4.60	7.60
470	460	450	4.70	7.70	18.70	470	470	460	4.70	7.70
480	470	460	4.80	7.80	18.80	480	480	470	4.80	7.80
490	480	470	4.90	7.90	18.90	490	490	480	4.90	7.90
500	490	480	5.00	8.00	19.00	500	500	490	5.00	8.00
510	500	490	5.10	8.10	19.10	510	510	500	5.10	8.10
520	510	500	5.20	8.20	19.20	520	520	510	5.20	8.20
530	520	510	5.30	8.30	19.30	530	530	520	5.30	8.30
540	530	520	5.40	8.40	19.40	540	540	530	5.40	8.40
550	540	530	5.50	8.50	19.50	550	550	540	5.50	8.50
560	550	540	5.60	8.60	19.60	560	560	550	5.60	8.60
570	560	550	5.70	8.70	19.70	570	570	560	5.70	8.70
580	570	560	5.80	8.80	19.80	580	580	570	5.80	8.80
590	580	570	5.90	8.90	19.90	590	590	580	5.90	8.90
600	590	580	6.00	9.00	20.00	600	600	590	6.00	9.00
610	600	590	6.10	9.10	20.10	610	610	600	6.10	9.10
620	610	600	6.20	9.20	20.20	620	620	610	6.20	9.20
630	620	610	6.30	9.30	20.30	630	630	620	6.30	9.30
640	630	620	6.40	9.40	20.40	640	640	630	6.40	9.40
650	640	630	6.50	9.50	20.50	650	650	640	6.50	9.50
660	650	640	6.60	9.60	20.60	660	660	650	6.60	9.60
670	660	650	6.70	9.70	20.70	670	670	660	6.70	9.70
680	670	660	6.80	9.80	20.80	680	680	670	6.80	9.80
690	680	670	6.90	9.90	20.90	690	690	680	6.90	9.90
700	690	680	7.00	10.00	21.00	700	700	690	7.00	10.00
710	700	690	7.10	10.10	21.10	710	710	700	7.10	10.10
720	710	700	7.20	10.20	21.20	720				



**Friday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

[illegible]

### Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

[illegible][illegible][illegible]

12 Month		Div	Yld Pct	Sa 1993	High	Low	Last	Open
High	Low							
34	20	KLA	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
35	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
36	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
37	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
38	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
39	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
40	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
41	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
42	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
43	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
44	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
45	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
46	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
47	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
48	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
49	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
50	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
51	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
52	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
53	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
54	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
55	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
56	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
57	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
58	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
59	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
60	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
61	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
62	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
63	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
64	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
65	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
66	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
67	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
68	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
69	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
70	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
71	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
72	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
73	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
74	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
75	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
76	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
77	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
78	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
79	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
80	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
81	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
82	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
83	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
84	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
85	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
86	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
87	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
88	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
89	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
90	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
91	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
92	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
93	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
94	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
95	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
96	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
97	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
98	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
99	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
100	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
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101	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
102	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
103	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
104	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
105	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
106	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
107	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
108	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
109	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
110	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
111	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
112	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
113	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
114	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
115	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
116	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
117	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
118	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
119	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
120	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
121	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
122	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
123	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
124	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
125	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
126	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
127	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
128	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
129	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
130	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
131	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
132	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
133	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
134	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
135	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
136	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
137	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
138	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
139	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
140	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
141	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
142	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
143	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
144	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
145	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
146	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
147	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
148	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
149	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
150	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
151	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
152	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
153	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
154	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
155	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
156	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
157	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
158	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
159	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
160	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
161	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
162	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
163	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
164	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
165	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
166	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
167	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
168	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
169	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
170	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
171	20	KLIC	—	1988	215 1/4	205 3/4	210 1/2	210 1/2
172	20	KLIC	—	1988	215			

[illegible][illegible]

Month	High	Low	Stock	Dv	Yr	PE	Sa	100s	High	Low	Latest	Change
22	21		Congolex A	30	2			29 1/4	27 1/4			+ 1/4
14	16		Congolex B					27 1/4	27 1/4			+ 1/4
14	16		Congolex C					27 1/4	27 1/4			+ 1/4
14	16		Congolex D					27 1/4	27 1/4			+ 1/4
14	16		Congolex E					27 1/4	27 1/4			+ 1/4
14	16		Congolex F					27 1/4	27 1/4			+ 1/4
14	16		Congolex G					27 1/4	27 1/4			+ 1/4
14	16		Congolex H					27 1/4	27 1/4			+ 1/4
14	16		Congolex I					27 1/4	27 1/4			+ 1/4
14	16		Congolex J					27 1/4	27 1/4			+ 1/4
14	16		Congolex K					27 1/4	27 1/4			+ 1/4
14	16		Congolex L					27 1/4	27 1/4			+ 1/4
14	16		Congolex M					27 1/4	27 1/4			+ 1/4
14	16		Congolex N					27 1/4	27 1/4			+ 1/4
14	16		Congolex O					27 1/4	27 1/4			+ 1/4
14	16		Congolex P					27 1/4	27 1/4			+ 1/4
14	16		Congolex Q					27 1/4	27 1/4			+ 1/4
14	16		Congolex R					27 1/4	27 1/4			+ 1/4
14	16		Congolex S					27 1/4	27 1/4			+ 1/4
14	16		Congolex T					27 1/4	27 1/4			+ 1/4
14	16		Congolex U					27 1/4	27 1/4			+ 1/4
14	16		Congolex V					27 1/4	27 1/4			+ 1/4
14	16		Congolex W					27 1/4	27 1/4			+ 1/4
14	16		Congolex X					27 1/4	27 1/4			+ 1/4
14	16		Congolex Y					27 1/4	27 1/4			+ 1/4
14	16		Congolex Z					27 1/4	27 1/4			+ 1/4
14	16		Congolex AA					27 1/4	27 1/4			+ 1/4
14	16		Congolex AB					27 1/4	27 1/4			+ 1/4
14	16		Congolex AC					27 1/4	27 1/4			+ 1/4
14	16		Congolex AD					27 1/4	27 1/4			+ 1/4
14	16		Congolex AE					27 1/4	27 1/4			+ 1/4
14	16		Congolex AF					27 1/4	27 1/4			+ 1/4
14	16		Congolex AG					27 1/4	27 1/4			+ 1/4
14	16		Congolex AH					27 1/4	27 1/4			+ 1/4
14	16		Congolex AI					27 1/4	27 1/4			+ 1/4
14	16		Congolex AJ					27 1/4	27 1/4			+ 1/4
14	16		Congolex AK					27 1/4	27 1/4			+ 1/4
14	16		Congolex AL					27 1/4	27 1/4			+ 1/4
14	16		Congolex AM					27 1/4	27 1/4			+ 1/4
14	16		Congolex AN					27 1/4	27 1/4			+ 1/4
14	16		Congolex AO					27 1/4	27 1/4			+ 1/4
14	16		Congolex AP					27 1/4	27 1/4			+ 1/4
14	16		Congolex AQ					27 1/4	27 1/4			+ 1/4
14	16		Congolex AR					27 1/4	27 1/4			+ 1/4
14	16		Congolex AS					27 1/4	27 1/4			+ 1/4
14	16		Congolex AT					27 1/4	27 1/4			+ 1/4
14	16		Congolex AU					27 1/4	27 1/4			+ 1/4
14	16		Congolex AV					27 1/4	27 1/4			+ 1/4
14	16		Congolex AW					27 1/4	27 1/4			+ 1/4
14	16		Congolex AX					27 1/4	27 1/4			+ 1/4
14	16		Congolex AY					27 1/4	27 1/4			+ 1/4
14	16		Congolex AZ					27 1/4	27 1/4			+ 1/4
14	16		Congolex BA					27 1/4	27 1/4			+ 1/4
14	16		Congolex BB					27 1/4	27 1/4			+ 1/4
14	16		Congolex BC					27 1/4	27 1/4			+ 1/4
14	16		Congolex BD					27 1/4	27 1/4			+ 1/4
14	16		Congolex BE					27 1/4	27 1/4			+ 1/4
14	16		Congolex BF					27 1/4	27 1/4			+ 1/4
14	16		Congolex BG					27 1/4	27 1/4			+ 1/4
14	16		Congolex BH					27 1/4	27 1/4			+ 1/4
14	16		Congolex BI					27 1/4	27 1/4			+ 1/4
14	16		Congolex BJ					27 1/4	27 1/4			+ 1/4
14	16		Congolex BK					27 1/4	27 1/4			+ 1/4
14	16		Congolex BL					27 1/4	27 1/4			+ 1/4
14	16		Congolex BM					27 1/4	27 1/4			+ 1/4
14	16		Congolex BN					27 1/4	27 1/4			+ 1/4
14	16		Congolex BO					27 1/4	27 1/4			+ 1/4
14	16		Congolex BP					27 1/4	27 1/4			+ 1/4
14	16		Congolex BQ					27 1/4	27 1/4			+ 1/4
14	16		Congolex BR					27 1/4	27 1/4			+ 1/4
14	16		Congolex BS					27 1/4	27 1/4			+ 1/4
14	16		Congolex BT					27 1/4	27 1/4			+ 1/4
14	16		Congolex BU					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
14	16		Congolex BV					27 1/4	27 1/4			+ 1/4
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## ***More Than Just a Pipeline Dream*** **Ex-Soviet Republics Aim to Reopen Asia Trade Link**

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0	-0.02
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# THE MONEY REPORT

## FIRST COLUMN

### A Tribute To Market Creativity

HERE is a fallacy at the heart of cross-border investing. It concerns those who regulate the markets and their attitude toward investors in one country putting their faith in a security offered by a company based in another.

The erroneous proposition continually propagated by commentators and analysts is that regulators are good shepherds who are genuinely concerned for the well-being of their flock. It is also said that this is why investing across borders has traditionally been difficult and, because of the regulatory barriers, expensive.

So what has underpinned the expense and difficulty? And why has the American Depositary Receipt, or ADR, which allows international investing in indirect form, been allowed to grow so impressively in the last few years?

The truth becomes evident if you look at the nature of what a regulator does. The conclusion must be that regulators, despite their task of eliminating the unscrupulous and ensuring that the extremely risky is appropriately labeled and marketed, are bureaucrats rather than detectives or risk analysts. And given that one of the strongest instincts of the bureaucrat is self-preservation, a suspicious, not to say obstructive, attitude toward international investing makes perfect sense.

Of course, there are good *prima facie* reasons for arguing that the risks of such investments are more difficult for domestic regulators to quantify. But the mildest of skeptics might also suspect that regulatory hostility could also stem from fear of losing a power base, the fear that some other bureaucrat in another country might end up with the prized job of pushing the paper around a desk.

ADRs pose no such threat. They are based in one domicile, deominated in one currency and offered by institutions the regulators know. ADRs are risky investments, and a tribute to the creativity of the financial industry. Happy investing.

M.B.

## ADRs Offer Global Self-Determination

By Judith Rehak

THE standard advice for U.S. investors who are about to take the plunge and diversify into overseas equities is: "Buy a mutual fund and let the portfolio manager make the decisions."

But what of the investor who wants to make his own choices and customize his own international portfolio? Or who simply wants to buy one specific foreign equity? Most financial advisers agree that buying American depositary receipts are an excellent way to access individual, international stocks without navigating the minefield of trying to buy them on their home-country exchanges.

For one thing, ADRs simplify matters logistically. The broker's commission on the purchase of a French or Chilean company ADR, for example, is calculated on the same basis as one for shares of an American company—the investor pays in dollars, and the trade is completed in five days.

And increasingly, American-style research on ADRs is available. Merrill Lynch, Smith Barney and Dean Witter Reynolds (in conjunction with S.G. Warburg) are three U.S. brokerages that have made it a point to provide information and commentary on selected groups of ADRs for their individual clients.

Moreover, for investors who want to do their own homework (and use a discount broker where commissions are even lower), there are also several newsletters directed to individuals.

But for first-time ADR investors, there are also a number of points to consider, most of them having to do with the "comfort" factor.

If you like to see how your stocks are doing by looking in your daily newspaper, as well as by reviewing things such as quarterly reports, many experts advise sticking with ADRs that are listed on an exchange.

"That ensures that the company will meet SEC standards of accounting and reporting," says Scott Kalb, coordinator of ADR research at Smith Barney. "You can check the price in the paper, and you'll have access to a regular flow of information."

That's in contrast to unlisted, or "Pink Sheet" ADRs, whose holders have to call their brokers for a quote and on which information is often extremely scarce.

That doesn't mean, however, that unlisted ADRs are shady. Many foreign

companies simply see no reason to spend the time and money to comply with U.S. accounting and SEC requirements. For example, blue-chip companies like Ciba-Geigy AG, the Swiss pharmaceutical concern, and Deutsche Bank AG have unlisted ADRs.

It is equally important to recognize that the price of an ADR will be impacted by currency volatility.

"A lot of investors think that if an ADR is quoted in dollars and it's listed, there's no currency risk," said a New York analyst who insisted on anonymity. "But if the dollar gets stronger against the currency of an ADR's home country, the value of the ADR will go down, and if the foreign market goes down too, it's a double whammy."

Conversely, ADR investors can do better when the dollar weakens against an ADR's home currency. For example, as the dollar has weakened against the Japanese yen this year, investors in Japanese ADRs have made a substantial gain due to currency considerations alone.

But how to deal with the downside of currency risk? Count on investing in an ADR for three to five years, allowing time for currency swings to even out, advise many analysts. Alex Pichorodecky, head of global equity marketing at Dean Witter, adds that the focus should be on the company, its industry, and the company's position among its competitors. "John Templeton has never once hedged his currency," he observed, referring to a well-known elder statesman of global investing.

Another approach is to look at a country where currency risk is less of an issue. While Latin American ADRs seem politically risky to some, "Both Argentina and Mexico have currency tied to the dollar," notes Ed Cabrera, a Latin America strategist at Merrill Lynch. "Their economic programs are tied to stability in the currency, and we've seen that they've held to that commitment."

Mr. Cabrera thinks that ADRs for quality companies in industries like telecommunications and construction will prove more rewarding to investors than shares in mutual funds that target the Latin American region or a single country. An example, he said, is Grupo Tribasa SA, one of the largest and fastest-growing Mexican construction firms.

"They're building toll roads and bridges, and they'll be taking advantage of the privatization of the infrastructure for years to come," he said. "They have a backlog of projects and work."

But even though much of the ADR action is in emerging markets these days, first-time investors might find ADRs from places like Sri Lanka or Peru a bit too exotic—and volatile.

Such investors "may want to look at ADRs in more mature markets, so as to eliminate political or market risk, which may be greater than a specific company risk," said Chris voo Hoffmann, a senior vice president at S.G. Warburg & Co. "That steers the conservative investor to pan-European stocks, Japan and Australia."

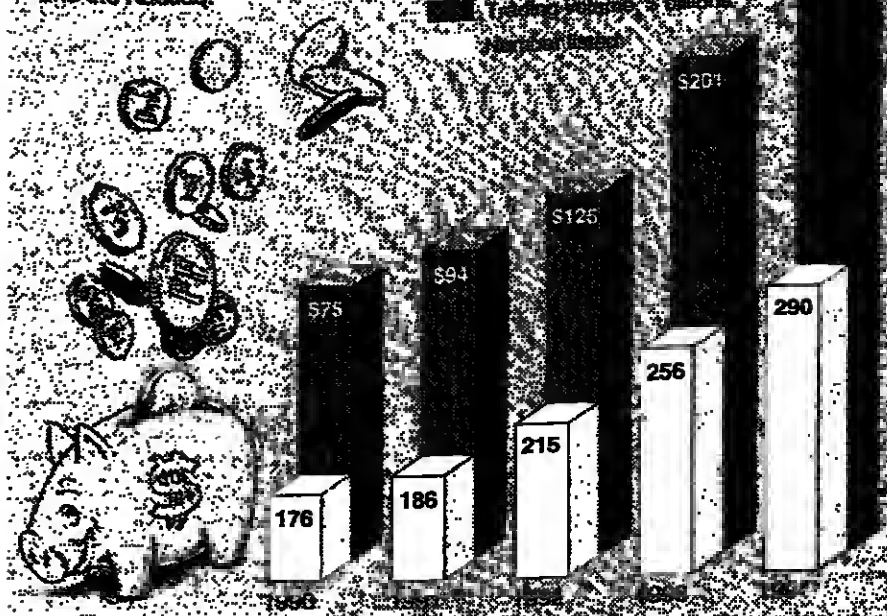
### American Depositary Receipts

Page 17  
Privatizations and opportunity  
The scene in Scandinavia

Page 19  
ADR newsletters  
Playing the "Pink Sheets"  
Germany's interest piqued

### Growing Foreign Exposure

American depositary receipts traded on the NYSE, AMEX and the Nasdaq



Source: The Bank of New York

## So, What's an American Depositary Receipt?

By Rodney W. Burton  
and Diane Juzaitis

THE American depositary receipt, or ADR, is a bit of paper that offers investors an easy way to buy into markets that once were beyond reach.

The ADR is basically a negotiable receipt issued in certificate form that represents an existing class of equity shares in a non-U.S. company. The typical story is that the shares are either issued by the company itself or bought by traders in the home market and deposited for custody in the local (non-U.S.) branch of an American bank.

The branch then communicates with its headquarters that shares are being held, and the U.S. bank then issues receipts evidencing these shares. The investor obtains and holds the receipts, or ADRs.

ADRs are often registered and traded on U.S. stock exchanges, while the shares

they represent stay put in the foreign branch of the depositary bank.

The arrangement helps to smooth over problems encountered in cross-border transactions and settlements. If shares were bought and sold directly on the foreign markets, the settlement procedures would involve currency exchange hassles, problems in cross-cultural communications and other obstacles to an expeditious settlement.

In addition, ADRs are usually quoted in U.S. dollars. Dividends are paid to the ADR holders in dollars as well. The depositary bank takes care of receiving the dividends and other cash distributions relating to the stock in whatever currency they are paid and converting them to dollars at competitive foreign exchange rates.

Stocks traded in some countries are off-limits to individual foreign investors who seek to place their money directly, making the ADR an effective way to access such markets. Mutual funds, pension funds and other institutional investors

are also often prohibited from directly investing in foreign securities, and ADRs help solve the same problems for them as they do for the small investor.

For foreign companies, ADRs offer a wide range of advantages as well. First and foremost is entry into the U.S. market, which brings wider access to capital and helps ensure a larger, more diversified base of equity holders.

ADRs can be either "unsponsored" or "sponsored." Unsponsored ADRs are generally issued by depositaries in response to market demand, without any formal agreement with the issuer company. Sponsored ADRs are initiated by the company itself and issued by one depositary which it appoints and with which it has a deposit agreement or service contract.

RODNEY W. BURTON is a partner at S.G. Archibald in Paris; DIANE JUZAITIS is a manager at Arthur Andersen International, also in Paris.



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## THE MONEY REPORT

## As State Privatization Programs Multiply, So Do Opportunities for ADR Investors

By Baie Netzer

**A**GGRESSIVE moves to privatize state-owned companies around the world along with U.S. investors' active interest in foreign equities will likely fuel scores of new American depositary receipt issues over the next five years, according to experts.

In the coming year alone, privatizations are expected to raise approximately \$50 billion worldwide, matching the pace set in 1993 and the estimate for this year.

While the falling prices of many ADRs this year have left investors skeptical about the efficiency of formerly state-owned companies, analysts say that shareholders should keep their focus on long-term performance. Witness, some point out, the nearly 18 percent annual rise in share price of the French energy concern Total SA since it was issued in ADR form three years ago.

"History has shown that there's a good case for investing in privatizations," said Rodney Lord, publisher of the London-based newsletter Privatization International. "Governments often have an interest in making

panies perform well. As a result, people have discovered that there's more value to be squeezed out of former state-owned companies than they originally thought."

More than one-third of the capital raised through ADRs since January of 1992 has stemmed from privatizations, according to Nicholas Didier, a principal at Morgan Stanley in New York. Though not all privatized companies issue ADRs, Mr. Didier estimates that privatizations could account for about two-thirds of the capital raised by ADR issues in coming years. Indeed, that estimate may be conservative, since some of the companies that are expected to privatize will be large telecommunications firms.

"We are talking huge numbers," he said.

In the near term, analysts say that France and Argentina, in particular, are set to push a number of new privatizations. The French government has already begun to sell part of its stake in state-owned auto maker Renault, and the sell-off of state tobacco company Société d'Exploitation Industrielle des Tabacs & des Allumettes, better known as SEITA, is in the works.

In Argentina, where privati-

zation has already raised \$20 billion since 1989, government officials are hoping to bring in another \$600 million with the sale of airports, the national postal service, three nuclear power plants and the country's largest petrochemical plant.

Over the longer term, the privatizations of state telephone monopolies in Germany and France are expected to be among the largest equity issues in Europe. African countries including Morocco and Zambia also have a fleet of firms ready for flotation.

This year, however, has not been kind to investors in many privatized companies. Buyers of ADR shares in Argentine, Mexican and British telecom companies, for example, have seen prices tumble 15 to 20 percent. Shares in China's Shuangdong Huangeng Power Development Co. have fallen over 25 percent since their listing in August.

Italian bank Istituto Mobiliare Italiano SpA, known as IMI, seems calm in comparison, having lost only around 3 percent since ADRs appeared in February.

According to Mr. Lord, the fall in share prices is less attributable to sudden changes in a company's ownership than to a correction in the company's domestic equity markets or to in-

dustrial-specific business cycles. And other analysts note that market conditions are not always a major factor in deciding when to take a state-owned company public.

"Governments often sell off state-owned companies to reduce a budget deficit or for other political reasons," explained Mr. Didier. "For that reason, they often want to privatize quickly even if market conditions aren't the most favorable."

Indeed, the slippage in Latin American telecommunications ADRs has been mirrored in more general ADR indexes. According to Merrill Lynch's ADR Performance Monitor, the Argentine and Mexican ADR indexes have each had steep share price declines this year, falling by about 20 percent.

ADRs of privatized companies that have shown recent gains include oil companies Elf Aquitaine SA in France and Yacimientos Petroliferos Fiscales, known as YPF, in Argentina, which have gained around 18 percent and 22 percent respectively since the launch of their ADRs in June 1993. ADRs of the Spanish energy concern Repsol SA have gained about 32 percent since their issue in March 1993.

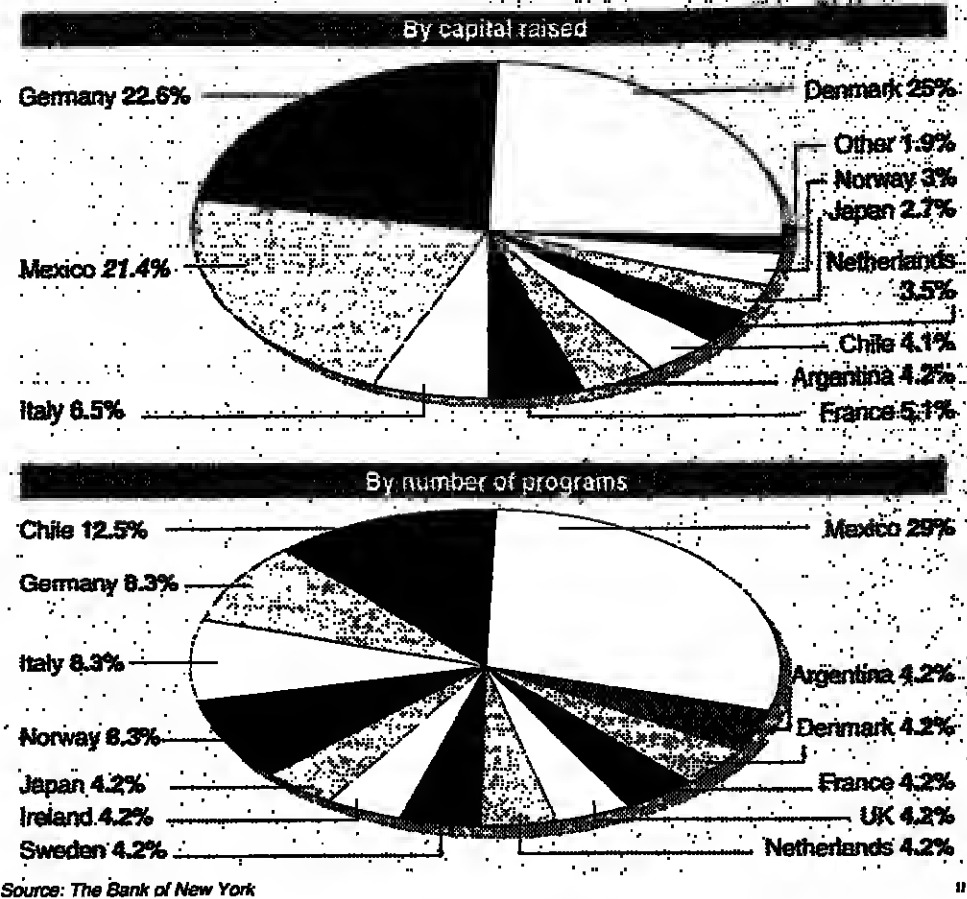
Though the oil companies are already showing gains, they are continuing to win analyst recommendations. Both Merrill Lynch and Morgan Stanley are currently recommending Elf Aquitaine, which recently announced an asset sale to Chevron Corp. and the sell-off of a subsidiary — moves which, together, are expected to bring in some \$378 million. In addition, Merrill is recommending purchase of YPF ADRs and Morgan has a 'buy' on Repsol's.

Sanford Cohen, a Merrill Lynch analyst based in New York, is also recommending one of this year's underperformers, Shandong Huaneng Power in China. Though it is still 70 percent owned by the government, Mr. Cohen expects the company to generate more than 15 percent annual earnings growth over the next five years.

Many experts say that even if domestic shares are available, international investors are better off buying ADRs.

"The common wisdom used to be that the only people who bought ADRs were those who were restricted from buying the domestic shares," said Mr. Didier. "Today, if a company has an ADR available and if that ADR is liquid, then there's no reason for an investor to buy the domestic shares."

## ADR Leaders Public depositary receipt offerings in first-half of 1994



## More Scandinavian Companies Likely to Seek a U.S. Listing

By Aline Sullivan

**M**ANY citizens of Sweden and Finland might still need convincing that membership in the European Union is in their best interests, but holders of American Depositary Receipts in Swedish and Finnish companies probably have little doubt on the matter.

The reason is that the value of their holdings increased substantially when voters in each country narrowly approved joining the EU in recent referenda.

Now, the only Scandinavian country still on the fence is Norway, whose citizens will vote on November 28. A "yes" vote is likely to boost the country's stock market if, as happened elsewhere in Scandinavia, investors anticipate cuts in interest rates, a stronger currency and the benefits of inclusion in the EU trade zone.

U.S. investors anxious to tap into the Scandinavian markets

need look no further than New York. Many large Nordic companies have long been participants in ADR programs and, now that much of the region looks set to join the EU, market analysts expect more companies to seek listings on the U.S. exchanges.

"Most Scandinavian companies have become very positive on foreign investment since ownership restrictions were lifted," said Per Grider, an equity analyst at Carnegie International, a brokerage in Stockholm. "They now need to raise capital to compete in Europe. An ADR listing in New York is a big advantage."

Sigurd Kallhavde, a Scandinavian analyst at NatWest Markets in London, pointed out that the largest foreign shareholders in Swedish blue-chip companies are often American. The success of the bigger companies in attracting U.S. investors is certain to encourage smaller companies to seek ADR listings as well, he said.

"Apart from the biggest companies, many Scandinavian

companies have probably never even been to the U.S. to present themselves," said Mr. Kallhavde. "But they know what can be achieved there."

New Scandinavian listings on U.S. exchanges will also provide American investors with good opportunities, he argued. "The biggest Scandinavian companies are already global. The smaller ones are the most likely to benefit from EU membership."

Per Chrom-Jacobsen, a Danish analyst at Kleinwort Benson Securities in London, believes that ADRs make a lot of sense for U.S. investors interested in Scandinavian corporations.

"Most of the ADR programs provide investors with more transparent accounts than they would find in Scandinavia and enable them to buy and settle in U.S. dollars," he said. "The dollar rate is usually just a reflection of the exchange rate but it is certainly more convenient."

All eight of the Swedish companies with U.S. stock market listings — Electrolux AB, Volvo AB, SKF AB, ASEA AB, Gammal AB, LM Ericsson, Pharmacia Corporation and Scandinavian Broadcasting Systems — are quoted on the Nasdaq. Analysts say there is no particular reason for this — Swedish companies simply tend to list on the same exchange as their competitors.

Only one other Scandinavian company, Olicom A/S of Denmark, has an ADR on the Nasdaq, while the others have opted for the New York Stock Exchange. These are: ISS-International Service System A/S, Novo-Nordisk and Tele Danmark of Denmark, Hafsund Nymed and Norsk Hydro A/S of Norway, and Nokia AB of Finland.

Citibank, which issued half

of the ADRs registered in the United States last year, manages 24 ADR programs for Scandinavian companies, or 70 percent of all Scandinavian ADRs. According to David Smith, managing director of Citibank Depositary Receipts, Scandinavian companies are among the most enthusiastic proponents of new ADR products.

"These are companies from fairly small home markets which have become world leading firms," said Mr. Smith. "They were some of the earliest and most innovative users of ADRs."

Of the Scandinavian ADRs, telecommunications companies have been the star performers as of late. Ericsson, which designs and manufactures telecom and electronic defense systems, has seen its shares rise by more than 50 percent since the beginning of the year, while shares of

Finland's Nokia, a leader in cellular-phone manufacturing, have more than doubled in price since being listed on the New York Stock Exchange on July 1.

Volumes for both these stocks have also been high. Over the past six months, Ericsson was the fourth most-heavily-traded foreign stock listed in the United States, with nearly \$30 million in shares changing hands each day. Nokia ranked ninth, with more than \$18 million in shares traded daily.

Anthony Bolton, manager of Fidelity International's European Trust, a fund that invests in European equities, is bullish on both Ericsson and Nokia.

His fund has \$535 million (\$845 million) under management, of which 12 percent is invested in Norway, 12 percent in Sweden, 8 percent in Finland and 4 percent in Denmark.

## Best Performing Mutual Funds

Source: Morningstar Inc. Data as of 10/31/94. Funds ranked by total return over one month to November 1, 1994. Values of \$100, income reinvested.

Fund	Return
1. Fidelity Puritan	117.62%
2. Fidelity Divers Int'l	115.44%
3. Fidelity Divers Int'l	113.04%
4. Fidelity Divers Int'l	111.99%
5. Fidelity Divers Int'l	111.53%
6. Fidelity Divers Int'l	111.44%
7. Fidelity Divers Int'l	111.44%
8. Fidelity Divers Int'l	111.44%
9. Fidelity Divers Int'l	111.44%
10. Fidelity Divers Int'l	111.44%
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Over one year to November 1, 1994

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19. Fidelity Divers Int'l	111.44%
20. Fidelity Divers Int'l	111.44%

Over five years to November 1, 1994

Fund	Return
1. Fidelity Puritan	117.62%
2. Fidelity Divers Int'l	115.44%
3. Fidelity Divers Int'l	113.04%
4. Fidelity Divers Int'l	111.99%
5. Fidelity Divers Int'l	111.53%
6. Fidelity Divers Int'l	111.44%
7. Fidelity Divers Int'l	111.44%
8. Fidelity Divers Int'l	111.44%
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Source: Morningstar

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# TELECOMMUNICATIONS

## SALE OF SHARES MAY BEGIN IN 1995

The partial privatization of the national telecom operator is expected to strengthen its market position.

In an effort to strengthen Greece's role in the development of the telecommunications market in the Balkans and the eastern Mediterranean, the Greek government had announced plans to privatize part of the Hellenic Telecommunications Organization (OTE). Though the scheduled date was recently postponed, the commitment to privatize remains strong.

Minister of National Economy Yannis Papantoniou says the postponement was a collective ministerial decision taken solely because of a downward trend in the stock markets. Very soon, says Mr. Papantoniou, probably in the first few months of 1995, OTE will once again be on the market.

The government plan is to privatize 25 percent of OTE, selling 18 percent of the company's common stock in London to a group of international institutional investors and the remaining 7 percent on the Athens stock exchange. OTE employees will have a priority right to buy shares at preferential terms. Six Greek banks have been involved in the OTE deal and are likely to remain so once the market improves and privatization proceeds: the National Bank of Greece, the Commercial Bank of Greece, the Agricultural Bank of Greece, the Ionian Bank, Credit Bank and Ergo Bank. The first four are state-owned. These six were to have been joined by 10 international banks in arranging the sale: Barclay's de Zeeuw, Warburg, James Capell, Deutsche Bank, ABN-AMRO, Paribas, Salomon Brothers, Lehman Brothers, Bear Sterns and Yarnichi. The banks advising OTE are CS First Boston and Schroders. OTE's "road shows" have been under the direction of Citibank, J.P. Morgan and the Bank of New York.

### Expanded services

Basic telecom services are the core of OTE's business, and in 1992 the company started an extensive investment program aimed at the expansion of its network as well as its modernization through digitalization and improvements in quality. It has also moved toward the provision of services such as Audiotex, data communications, maritime communications and mobile telephony.

At the end of 1993, total fixed assets amounted to nearly 700 billion drachmas (\$3 billion), with a market value estimated at nearly 1.2 trillion drachmas. OTE's operating revenues amounted to nearly 390 billion drachmas in 1993, and operating profits reached 132 billion drachmas. Return on equity reached an impressive 34 percent, with a debt-to-equity ratio of around 40 percent.

With a new, streamlined organization and a strategic focus on value-added services, OTE plans to play a key role in the Balkans and the eastern Mediterranean. Its personnel, including more than 1,200 qualified engineers - 300 with master's and PhD degrees - as well as 2,500 other employees with professional degrees, ensures that this aim will probably be achieved.

### New legal set-up

A new law recently voted by the Greek parliament changes the operation and organization of the company.

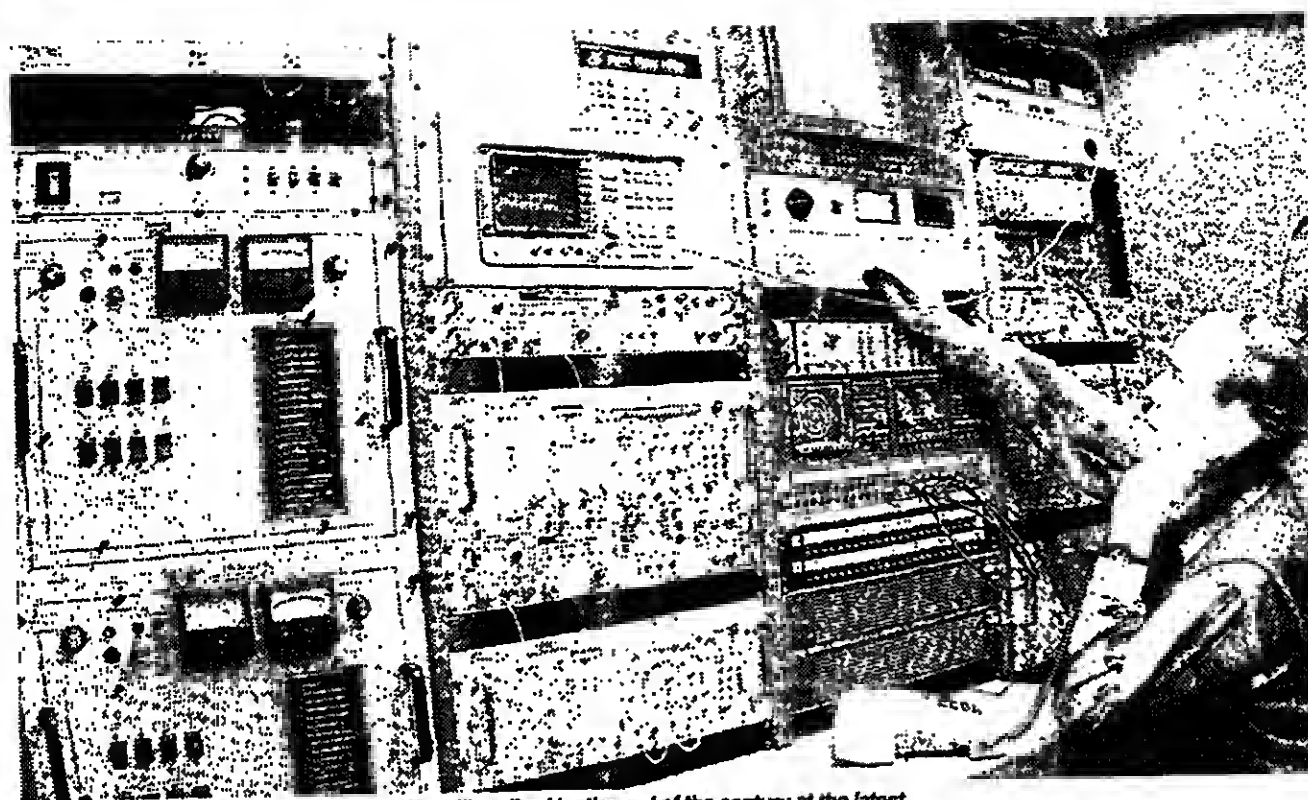
OTE maintains its monopoly in the provision of traditional phone services till the year 2003. But in an attempt to remain both competitive and accountable, the new law sets a three-year tariff structure, which will allow charges to increase above the forecast rate of inflation for local calls and in line with inflation for long-distance calls, while international charges will remain stable.

The organization structure of OTE is also simplified by the new law. At present, 19 regional and 23 central directors,



## IN GREECE

The Shaping of a Regional Leader



The Greek telecommunications market will be liberalized by the end of the century at the latest.

together with the director-general, report to the chairman of the board. The new structure streamlines operations and has eight directors-general reporting to the managing director of the company - and he alone reports to the board.

The new law determines the overall framework within which OTE will operate. The responsibility for overseeing the organization rests with the Ministry of Transportation and Communications, which has the responsibility to draft and submit to parliament all laws pertaining to OTE. It also issues all directives concerning research and development.

### National Council proposed

It foresees the creation of a National Council of Telecommunications, administratively and economically independent but under the

auspices of the Ministry of Transportation and Communications. The council would oversee the telecom market, with administrative, financial and regulatory responsibilities. The law determines the structure of the market by identifying three areas of operations: networks, services and equipment.

The board of OTE has the ultimate responsibility for the management of the company and its finances, property and other assets, and growth and development strategy. According to OTE spokespersons, the new law provides a modern and efficient regulatory framework for the operation of the company, all in accordance with EU directives and taking into account the forthcoming liberalization of the market - by the end of this century at the latest.

Anthony Kefalas

## THE LONG ROAD FROM MARATHON

Modern technology makes communications easier for a nation of islands and mountain barriers.

The Greeks have a history of long-distance communication. In 490 B.C., Pheidippides had to run from Athens to Sparta, 180 miles away, to ask for help against a foreign invader (it took him two days), and a young soldier had to run 26 miles from Marathon to Athens to bring the news of the Athenians' victory in that historic battle. Until fairly recently, such heroic messengers were still needed for some remote parts of this mountainous country, but not any more. Today, although some telecommunications problems remain, there is no village in Greece without phones.

### One phone for two inhabitants

With 4,744,000 subscriber lines, Greece has almost one phone per two inhabitants, one of the higher rates in Europe, says George Patergiannakis, director general of OTE's Network Development. There are, however, over 250,000 outstanding applications for new subscribers. The plan is that they will be covered by 1996, when Greece is scheduled to have 5.3 million access lines in service. In 1990, Greece had 1.1 million orders for new phone lines outstanding. At the end of 1993, the average waiting time for a new line was approximately 11 months, even though a new line can in some cases be supplied in central Athens a day after an application is submitted, says Mr. Patergiannakis.

To cope with this problem, OTE and the EU are cooperating in a development project on a 50-50 basis (in some areas requiring particular technical support, the EU is providing 75 percent of the funds). "We aim to reduce the average time for connection to 15 days by 1996 and seven days by the year 2000," Mr. Patergiannakis says.

The first phase of this project, which began in 1992, called for the creation of 200,000 digital subscriber lines in the Greater Athens area. Of these, 50,000 went to business customers and the remainder to replace analogue originals. In this phase, which will be completed by the end of the year, a digital network with six tandem exchanges and a sophisticated management system are being installed.

### Reducing call failure

Mr. Patergiannakis says that the advanced technology used in this project is the most extensive in Europe. It covers 70 percent of the total program budget. In the second phase, two telemetric networks and one network management system are being installed for the upgrading and enhancing of the analogue network in the region. This project will lead to a reduction in call failure from 10 percent in 1992 to less than 5 percent when it is completed at the end of this year.

"In 1992, we started an extensive program of network expansion and modernization which will improve the overall availability and quality of OTE's services," said George Skarpelis, director general of OTE's International Affairs. The project will create 1.12 million new access digital lines, 2,000 kilometers of fiber-optic cables and 150,000 replacement digital lines by the end of 1993.

The future infrastructure development program will include the installation of new regional exchanges linked to the digital network, the progressive replacement of analogue exchanges, the upgrading of local analogue exchanges, the refurbishment of OTE's pay phones and the implementation of a comprehensive management system.

Mr. Patergiannakis adds that OTE has a \$5.5 billion, five-year plan that will replace 1.5 million symmetrical cable lines with new digital solutions and install fiber-optic cables in the subscriber loop. These will provide the necessary infrastructure for the transmission of cable television services.

John Rigos

## CHALLENGING DEMAND FOR HIGHER PROFITABILITY

In the following interview, Petros Lambrou, director-general of the Hellenic Telecommunications Organization (OTE), speaks about the Greek government's plan to privatize up to a quarter of OTE's shares.

International investment circles have been greatly interested in the upcoming offering of OTE shares. What exactly does this amount to? OTE is going through the most challenging liberalization and modernization in its history. In early 1995, the

company is upgrading and increasing services so that we will be on a par with some of the best telecoms in Europe. We have been introducing new satellite connections and reorganizing the management of OTE along the lines of private enterprise. When you are a state organization and the largest employer in Greece, you are bound to have internal coordination problems. So we have been steadily decreasing the number of employees over the last three years, and this number is expected to decline further.

OTE has sometimes been accused of lacking commercial ability. What are you doing to correct this?

We are doing a lot. We are approaching our transformation into one of the world's modern telecoms giants within the framework of a strict business plan that will enhance our quality, services, management efficiency and, as a result, profitability.

What role will the government play?

The Greek government is committed to exercising its role as the regulator and major shareholder of OTE. But it will not intervene in day-to-day operations, because neither the government nor OTE can afford to compromise the company's commercial independence.

What's the current situation of OTE?

OTE, founded in 1949, is state-owned and operates as the exclusive provider of terrestrial voice communication services in Greece. The

core business of domestic and international voice telephony and phone cards together accounted for 90 percent of OTE's 1993 revenues. The European Union has allowed the Greek government to extend its monopoly on voice telephony until 2003. But OTE will review the monopoly situation by 1998, when it expects to be in a position to deal with competition effectively.

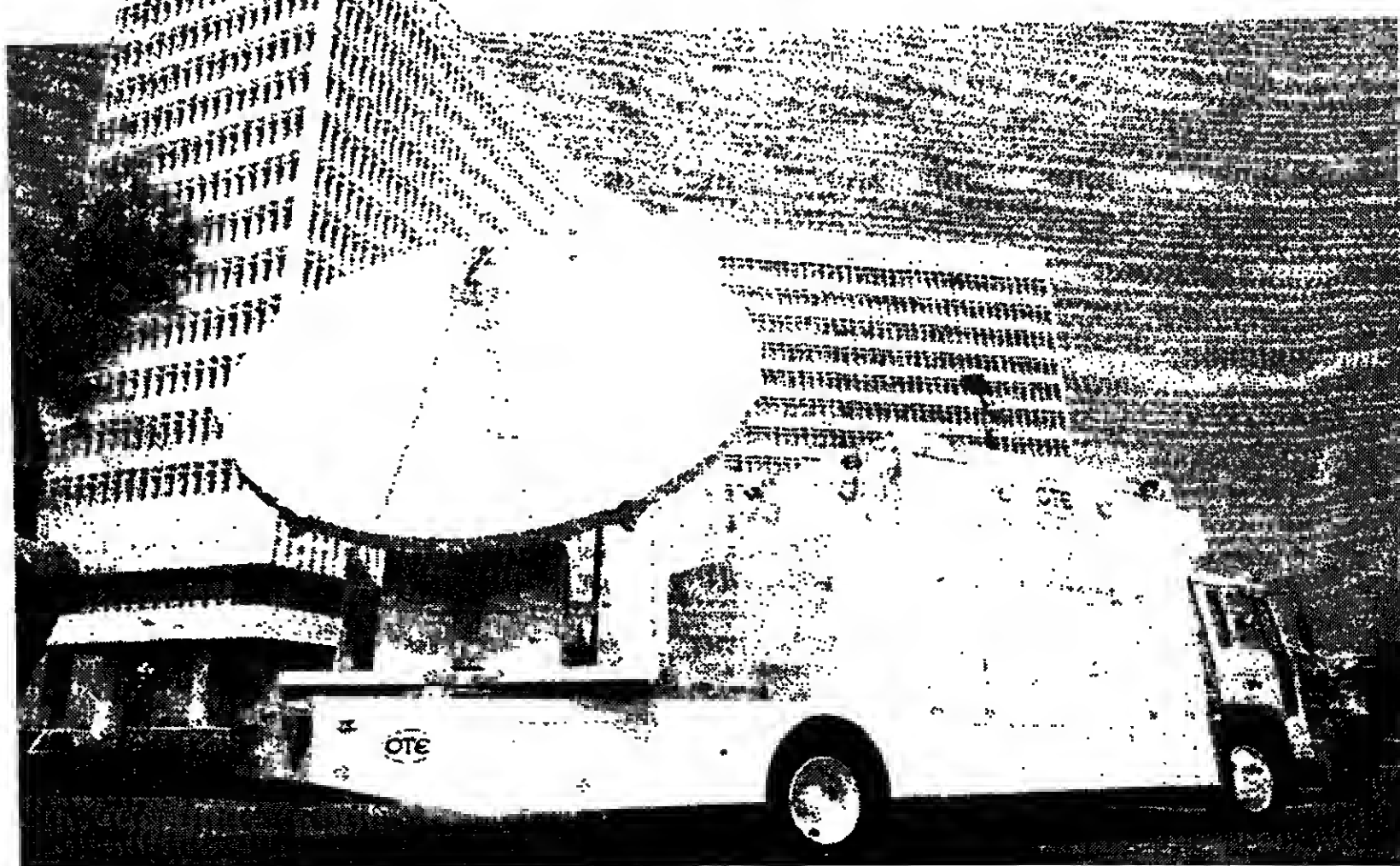
The other 10 percent of OTE revenues derives from telex and telegraphy, data communications, leased circuits, telephone directories, radio communications (mainly maritime), equipment sales, interconnection fees for cellular phone operators and value-added services such as videotex, audiotex and electronic directories.

Data communications services grew 20 percent over the last three years, and OTE expects this area to continue expanding. These services include Hellaspac (packet-switching network), Hellascom (high-speed digital network) and Hellestel (videotex).

What does OTE plan for the immediate future?

In simple terms, we aim to consolidate the strengths and advantages we already enjoy and capture opportunities arising from new services and markets. Our strategy is to stimulate demand by introducing new and value-added services such as free-phone, call trunking, high-tech satellite services, etc.

Over the next five years, we mean to invest heavily in



the modernization of infrastructure. From this, we will see a big improvement in service quality.

The EU is cofinancing a "CRASH" program for infrastructure modernization. This includes one pilot project to upgrade the subscriber network in Larissa and a suburb of Athens and another project on the island of Rhodes that has installed a fully digitalized internal network using fiber-optic rings.

We will go into neighboring countries, too. With a

network of about 5 million access lines, OTE is the most advanced telecom company in the greater region and is examining the possibility of new strategic partnerships in the Balkans and in CIS countries such as Georgia and Ukraine. Memoranda of understanding have already been signed with some countries.

And telecoms from outside these areas have submitted proposals for joint participation in such projects as consulting, network construction/operation

and provision of services.

How will OTE achieve greater profitability?

Like a well-run business, we want to sustain growth and fund the greater part of our capital investment from internal sources, which we fully expect to do. OTE has a strong financial position with relatively low gearing. Over 1993, OTE had 389 billion drachmas (\$1.65 billion) in operating revenues, of which 132 billion drachmas were profit. For 1994, first-half profits were 77 billion drachmas and are esti-

mated at 171 billion drachmas for the second half. Compounded annual growth is expected to reach well above 28 percent for the next five years.

We believe there is plenty of scope to increase profits

through tariff rebalancing and cost rationalization, especially in the areas of access lines and traffic volume on the Greek telephony market.

Interview by Carol Reed



Petros Lambrou, director-general of OTE: "We mean to invest heavily in the modernization of infrastructure."

Greek government, OTE's major shareholder, will be selling 25 percent of OTE shares - 18 percent abroad and 7 percent on the Athens Stock Exchange.

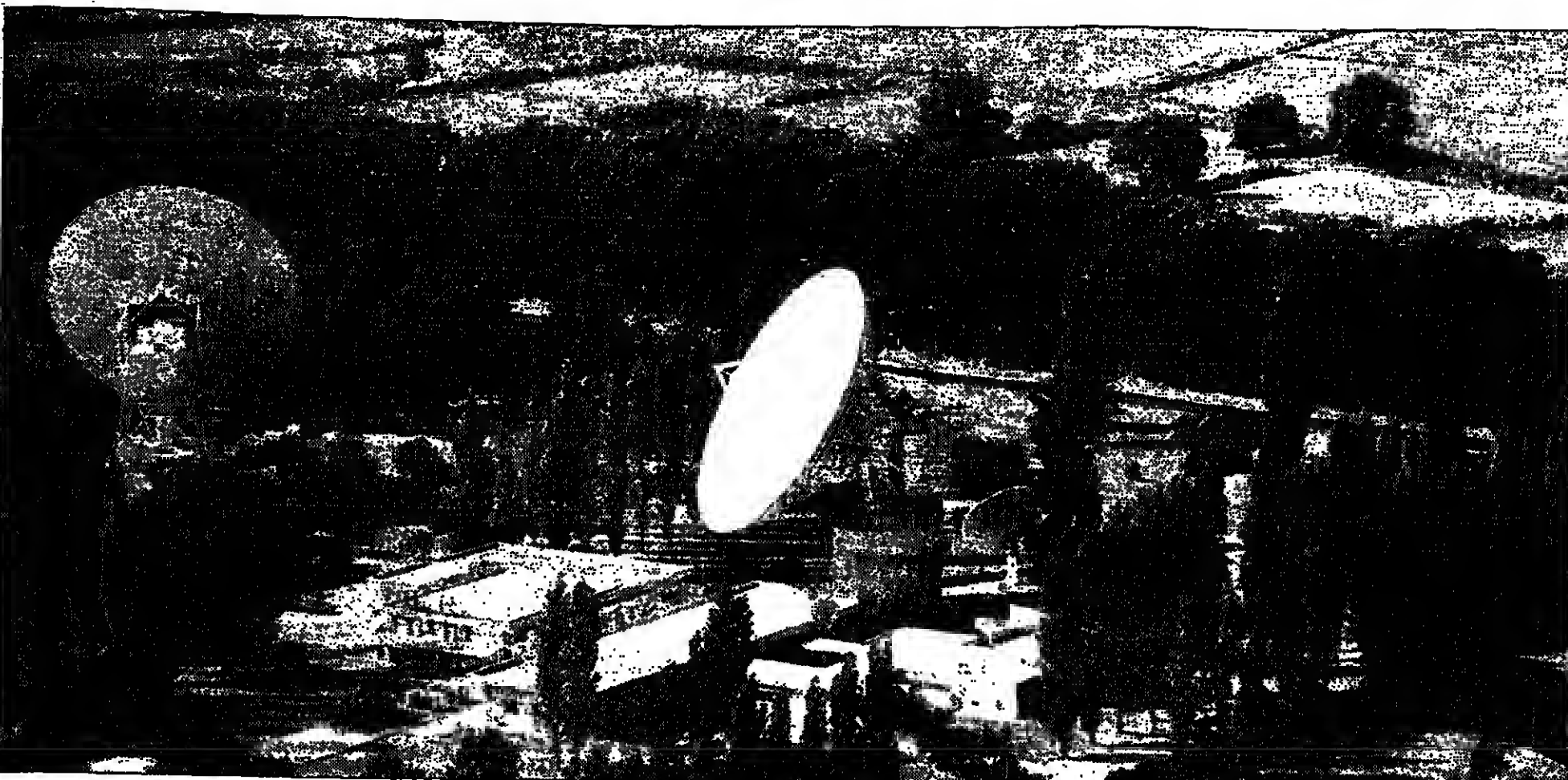
To prepare for this, we have been making basic changes in the way we run this government monopoly. We have been expanding our telephone network enor-

"TELECOMMUNICATIONS IN GREECE" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by Hellenic Telecommunications Organization S.A. WRITERS: Anthony Kefalas, Carol Reed and John Rigos are based in Athens. PROGRAM DIRECTOR: Bill Muhder.



صحة من الامم

# TELECOMMUNICATIONS IN GREECE



On a coastal plain near Thermopylae, huge white satellite dishes nestle among cypress trees, providing a clear signal for data, television and telephony.

## SHIPS KEEP IN TOUCH THROUGH INMARSAT MARITIME SATELLITES

Telecommunications in Greece has expanded into areas only dreamt of a few years ago, including cellular phone services and access to international data banks.

After the end of World War II, OTE provided only telephone and telegraphic services through a limited network, but today it offers phone and paging services, international telephony, telex, telegraphy, data communications, leased circuits, maritime radio communications, services to GSM cellular operators, phone conferences and access to international data banks and information nets.

OTE has also provided over 61,000 coin- and card-operated pay phones covering the whole of the country. It is not unusual to see guest workers from East European or Asian Countries calling their families from card phones on a street corner in Athens and other cities. "With a 100 unit card, I can phone for five minutes to Poland," says Alina Charisz, a cleaning woman from Cracow.

Andreas Kowalski from Warsaw also calls his family once a week from the card phone in Athens. "Our apartment does not have a phone, so I use the pay phone at the corner," he says.

In 1987, OTE introduced paging services, which have since grown from 8,600 subscribers in 1990 to over 27,000 by July 1994, or 2.7 subscribers per 1,000 inhabitants, according to John Patergiannakis, director general of OTE Network Development. Starting next year, OTE will provide enhanced paging services with a system that can display messages as well as give audio signals.

**Radio coverage grows**  
Mr. Patergiannakis believes that by the end of 1995 OTE's expanded radio coverage will be able to reach over 95 percent of the population.

Being a maritime country with the largest privately owned merchant marine in the world, Greece has special needs for good radio communications. This has been achieved through the Inmarsat system of maritime satellites.

OTE was one of the founding members of Inmarsat. Its Inmarsat earth station, situated at Thermopylae in Central Greece, offers services to ships sail-

ing in the Mediterranean and the Indian Ocean. Other ocean regions are covered by third countries' earth stations, with which OTE has a cooperation contract.

Through Inmarsat, OTE offers maritime telephony, telex and low-speed data transmission.

Beginning in 1996, a new Inmarsat system will offer enhanced telephone, telex

and data services as the present system gradually becomes obsolete. OTE also plans to offer maritime services in the Atlantic region through a new earth station.

People in Greece have access to data communications through Hellaspac, an OTE packet switching network, part of its Hellacom services. Early this year, OTE launched Hellastel, its own

Videotex service, which uses the same standards as the Minitel system in France.

Through this system, customers can have access to a variety of data bases in Greece and abroad.

An advanced Videotex service that offers reservations, teleshopping and telebanking as well as information retrieval, was launched

in the Rhodes area earlier this year.

Mr. Patergiannakis says, "A formal gateway to the Internet system is also scheduled for the near future."

There is nothing in the telecommunications world that Greece will not make available — through OTE — to its inhabitants and visitors."

J.R.

## NEW SUBSCRIBERS WON'T BE ON HOLD

By 2000, waiting time will be only one week.

One of the main problems that OTE is tackling is the waiting list for telephones.

An investment of more than \$4.5 billion by the year 2000 will give birth to modern, high-tech, low-cost telecommunications, the "turn toward quality" that the Greek economy must make, says OTE Director General Petros Lambrou.

To achieve this, he says, OTE has "some time ago begun long-term research and planning to isolate the sources of today's problems and steer toward solutions that will lead to competitive telecommunications services of high quality."

Already, the waiting list for new telephones, which topped 1 million applications in 1991, has fallen to just 240,000. OTE expects to whittle down the waiting time to only two weeks by 1998 and less than one week by the year 2000.

### Digital answer

Although part of the total network will still be conventional analogue over the next few years, digital equipment is quickly becoming by far the predominant technological base.

Of the 4.74 million telephone connections the company now manages, OTE will have changed over 1.5 million to digital technology by the end of this year. OTE has installed three international digital exchanges with a total capacity of more than 24,000 lines. It will soon

dismantle its last non-digital international exchange. At the moment, Greece communicates directly with 142 countries and via operator with 59 others. Greece is also now connected to other Mediterranean and Balkan countries with new international digital radio links and fiber-optic cables, on land or undersea.

**CRASH improvements**  
Local exchanges were 32 percent digitalized in 1993; in 1998 the figure will be 60 percent. To test the system's ability to set up and operate full-range infrastructure, prototype pilot projects under the European Union's CRASH Program have been set up in the Athens area, Larissa and on the island of Rhodes. In parallel, OTE will improve its customer relations with a Customer Survey and a new Department of Special Customers that will function as a telecommunications consulting service.

Finally, as part of its efforts to put an end to the phone waiting list, OTE will study personnel recruitment and introduce training in competitive, private-enterprise behavior and advanced technology. Mr. Lambrou says, "This is the first step, which will be repeated often in the future, leading to the continual upgrading of Greek telecommunications, a sector of strategic importance to the Greek economy."

C.R.

## HELLO, MOM? I'M IN RHODES

Island telecommunications in Greece used to be, at best, mediocre. Now, OTE is introducing digital networks to Greece's substantial tourism industry. And on the popular island of Rhodes in the far eastern Aegean Sea, OTE is experimenting with an advanced system that is a pilot project for the rest of Greece.

The success so far of the Rhodes experiment means that OTE will probably develop similar projects on all islands in Greece that have been developed for tourism. Calling home to Hamburg, Paris — or Athens — will soon become the easiest thing in the world.

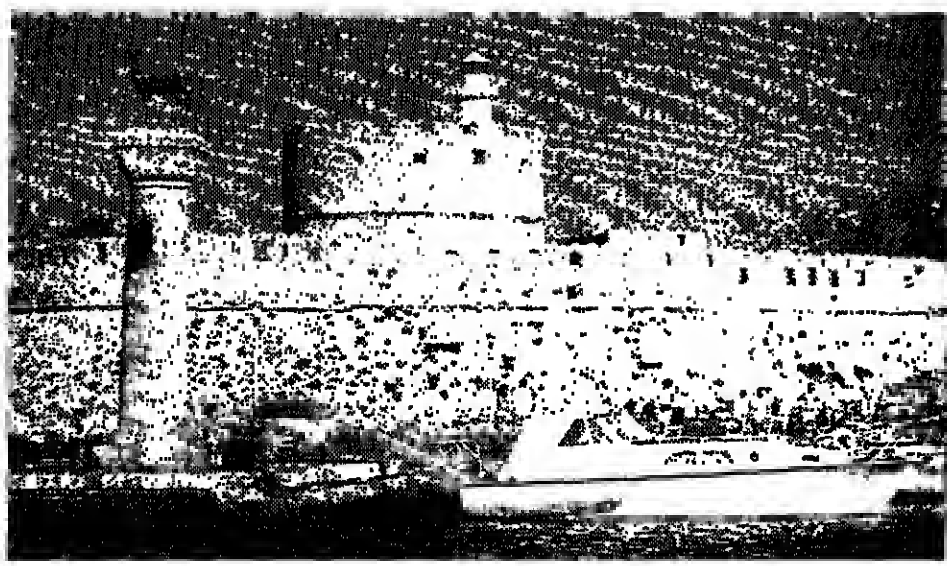
From an antiquated mechanical-electrical system, Rhodes and the smaller, interconnected islands of Chalki, Symi, Tylos

and Megisti now have state-of-the-art infrastructure with 100 percent digitalization, fiber-optic rings and digital radio links to small inland communities.

These are connected to a full menu of advanced tourism-related services such as videotex, audiotex and expanded data communications for all major hotels and telepoints. This includes the first cordless telephony trial in Greece.

To sell these services, OTE has opened on Rhodes its first customer relations office. The new services on Rhodes were installed at a cost of 70 million Ecus (\$87.5 million), with cofinancing from the European Union's CRASH program. They have resulted in an immediate 85 percent increase in revenue.

C.R.



## REOPENING COMMUNICATIONS TO THE BALKANS AND BEYOND

Greece's position as a member of the EU allows it to play a vital role in the economies of its neighbors, and its investments in the region have increased in recent years.

When Greece was a member of the Byzantine and Ottoman Empires, the Balkans were part of its backyard. Greek Mediterranean ports, especially Salonika, were used for trading with countries like Bulgaria, Serbia, Romania and Austria, and long caravans used to cross the valleys of Vardar and Evros to bring goods to those countries.

In the late 19th and early 20th century, these countries became independent, and many made agreements with Greece that allowed them free zones in some of

Greece's ports. With the fall of communism, a new era opened in Greece's economic relations with the Balkan countries and those of the former Soviet bloc.

Greece, as the most developed country of the area and a member of the EU, has a considerable role to play, especially in supporting the economies of its neighbors, says National Economy Minister Yannis Papantoniou.

Greek exports to the region and investments in its countries have increased during recent years, and this

has strengthened political, cultural and economic ties. Hundreds of thousands of nationals from Balkan countries, especially Albania, have moved to Greece illegally or legally as guest workers, and thousands of Greek enterprises have moved into Bulgaria, Albania and Romania to form joint enterprises and new trade and industrial units.

**Prewar links renewed**  
In Romania, where before World War II a strong economic presence existed, 1,138 Greek or Greco-Ro-

manian enterprises are now in operation, says Giorgos Kantalepas, secretary-general of the Ministry of National Economy. They operate in the fields of food, clothing, shoes, wood products, furniture, machinery, building materials, hospital equipment, pharmaceuticals, electronics, construction and tourism, says Mr. Kantalepas.

According to the Romanian Statistical Service, Greek investments in Romania between March 1990 and September 1994 amounted to \$22.2 million. Greece ranks 14th in the number of foreign companies operating in Romania and 13th in terms of amounts invested. These figures do not include the capital invested by Greeks of the diaspora in the maritime industry and in shipbuilding orders to Romanian shipyards, nor the investments of Greek affiliates of multinational enterprises. If these investments are taken into consideration, Greece would probably hold first place among foreign investors in Romania, says Mr. Kantalepas.

In Bulgaria, 421 Greek enterprises have invested in a variety of industrial and trade ventures, and over 500 have offices and repre-

sentatives in Bulgaria. Total investments exceed \$34 million, including some in the food and beverage industries, pharmaceuticals, automobiles, energy, transport and services.

### Albanian openings

In Albania, about 100 Greek or joint enterprises have invested \$33.5 million, mostly in trade ventures, industry, transport and tourism. According to an international survey conducted earlier this year, 20 percent of the \$200 million of foreign capital invested in Albania is Greek. Unofficial estimates say the capital exported to Albania by Albanian nationals working in Greece amounts to over \$20 million a month.

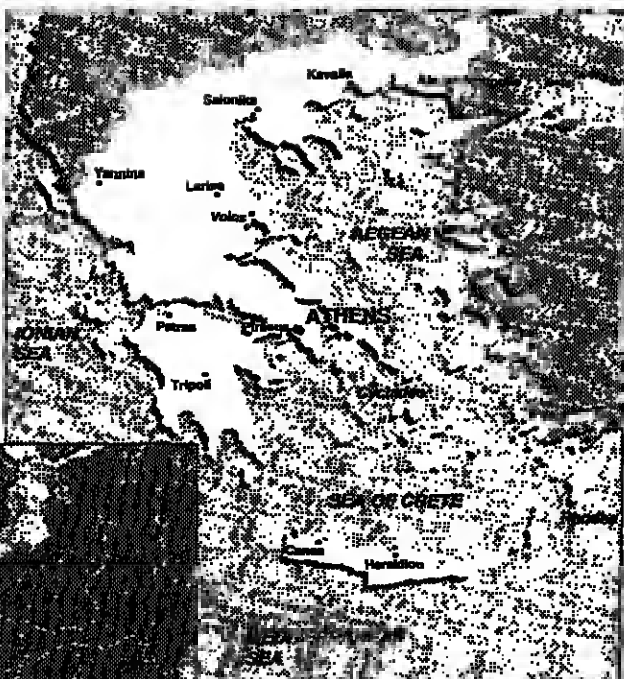
In Serbia, 150 joint enterprises have been established, but this number will expand as soon as the strife in the former Yugoslavia ends.

According to Mr. Kantalepas, the Vardinoyannis Brothers Group, which owns Chios Bank, is spreading its operations in most Balkan countries, and Sokratis Kokalis, a telecommunications material tycoon, has expanded his operations in Romania, Bulgaria and Moldova. Two construction companies, Sarantopoulos and Emfietzoglou, have undertaken to build a road network in Albania.

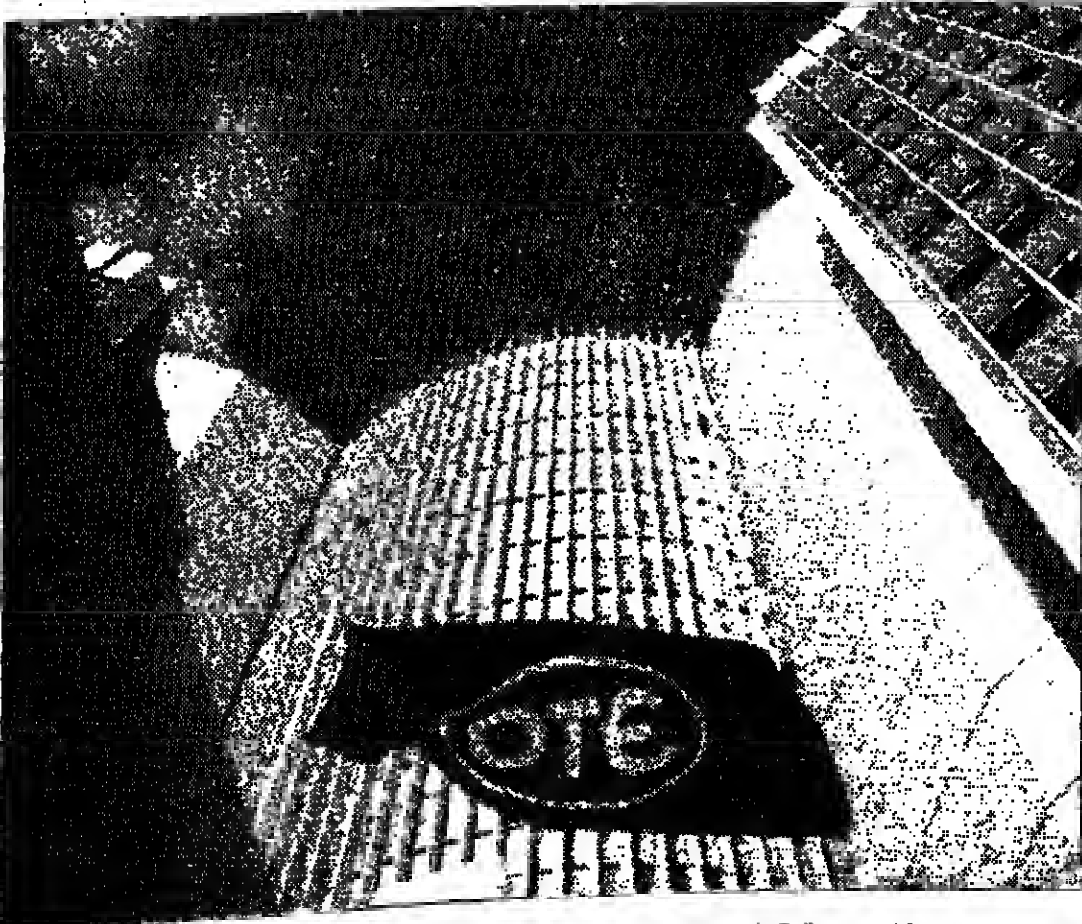
Mr. Papantoniou has drawn attention to the strengthening of links with the states of the Black Sea, where there has been a strong Greek presence since ancient times, when Jason abducted Medea following the expedition of the Argonauts. Now, the Bank of the Euxinus Pontus (Black Sea in Greek), is leading ef-

forts to improve economic ties with these countries through trade and investment.

"I believe the margin for cooperation is very wide," says Mr. Papantoniou, "especially if we take into consideration that these countries are in need of economic



Greece has easy access to Europe by sea and the Balkans by land.



OTE could play a major role in modernizing the telecommunications structures in Balkan countries.

recovery following the upheaval caused by their transition from a communist to a free economy."

**Cooperating with Cyprus**  
Greece has the cooperation of Cyprus in these efforts, both in the Black Sea area and in Palestine, where there are plans for joint participation in technological projects and other economic and trade activities. Mr. Papantoniou says.

Telecommunications is a field in which Greece can play a vital part in the Balkans and around the Black Sea, Mr. Papantoniou believes. The first contacts have been made, and Greek-produced equipment is being shipped to these countries, he says. Panayotis Thomadakis,

president of A.C.S., a Greek electronics firm that has expanded its operations in the Balkans and the countries of the former Soviet Union, thinks that OTE, with its experienced personnel and advanced technology, could enhance telecommunications in most of those countries.

"In places like Georgia, Armenia and Kazakhstan, where the phone systems are primitive compared to ours, OTE could play a major role in modernizing their telecommunications infrastructure," says Mr. Thomadakis. That would make the work of foreign investors easier and more effective, he adds.

J.R.

For further information about OTE, please contact:  
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Fax: (33-1) 46 37 50 44

In addition, a free Hellenic Money Guide (published by ICAP) will be sent to all those requesting information about OTE.

Name .....  
Title .....  
Company .....  
Address .....  
City .....  
Country .....  
Fax .....



# A Race Against Time

A strategic goal of the Hellenic Telecommunications Organization (OTE) is the development and expansion of Greek telecommunications throughout the Balkans and in Eastern Europe.

The revolution in European telecommunications has naturally had a significant impact on the Greek telecommunications sector. OTE's current projects include the Athens CRASH program, the development of know-how and, most significantly, the digitalization of its network and the expansion of new services, including satellite telecommunications support and the gradual phasing in of ISDN.

Another major goal is the internationalization of Greek telecommunications, first throughout the Balkans and followed by a further expansion into Eastern Europe.

In the context of these strategies, Greece expects to attract capital investment - both domestic and international - which in turn will lead to the best possible telecommunications infrastructure.

This investment is likely to exceed \$4.5 billion by the year 2000.

OTE is speeding up the development of its new services using state-of-the-art technology, and the years leading up to the end of the century should be decisive ones for the expansion of Greek telecommunications.



New services include:

**HELLASPAC:** a public packet switching data network.

**HELLASTEL:** videotex services such as an electronic directory, booking, and telemarketing.

OTE is putting its efforts into digitalizing telecommunications in areas of Greece where industry and commerce are concentrated,

as well as in tourist areas and those likely to experience rapid growth.

OTE's aim is to satisfy future demand within the competitive environment of new telecommunications services.



**Hellenic Telecommunications Organization S.A.**



SPONSORED SECTION

SPONSORED SECTION

# TELECOMMUNICATIONS IN GREECE

## NEW DEPARTMENT TO CREATE CULTURE OF PLANNING

Reorganization aims at rational decision-making.

A new Organization Department has been created by OTE to allow the company to operate under the terms of rational decision-making, healthy competition and the coming European telecommunications liberalization.

Its goals are the complete overhaul of OTE's administrative system, the optimization of the organizational structure, the re-examination of industrial relations

methods to widen the production base and re-examine rules for responsibilities and competencies.

Commercial orientation Chief among reorganized departments will be those responsible for marketing and sales, which will bring in the company's new commercial orientation and introduce the necessary "culture of commercial planning," as the organizers call



Sophisticated machinery, backed by technological and managerial expertise, results in communication, within Greece and with the world outside.



Office efficiency is based on communication systems using advanced information technology.

and the implementation of a well-structured communications system using advanced information technology.

The reorganization aims at wider company efficiency through the appropriate structural and operational changes and improvements, according to Organization Department documents.

### Cost-benefit basis

To increase efficiency, business design/planning and a well-structured administrative system will be introduced; regulatory constraints will be abrogated; a commercial, results-based philosophy will be promulgated in the company's operations; and projects will be reoriented on a cost-benefit basis.

Going after higher returns, which will increase the current 10 percent of engaged capital to 20 percent by 2000, the company will have to ensure conditions for quick financial transformation, increase capacity to penetrate new markets and maintain old ones, introduce

it. The "Net Department" will introduce the network development function, containing both network management and promotion of the company's investment plan. Financial planners will institute a modern cost management system and a budgeting control system.

Under the new system, top management becomes more responsive and more responsible, and business activities are decentralized toward "Strategic Business Units." Top management will thus be freed from day-to-day tasks and be able to concentrate on strategic decision-making.

C.R.

## WHAT PLEASES AN INVESTOR

George Skarpellis, OTE deputy director for international affairs, points out in the following interview that OTE's restructuring into a modern telecoms player makes the Greek telephone company a sound investment. He expects OTE to benefit from the many opportunities that accompany Greece's "period of economic and monetary stability, with continuing downward pressure on inflation."

Will OTE's current modernization program really make a difference?

It will improve the overall availability and quality of OTE's services. For instance, we expect digitalization in the trunk network, now at 50 percent, to reach 90 percent by 1998, while in the subscriber network it is 28 percent and should reach around 56 percent at the end of five years.

What about OTE's regulatory planning framework?

Briefly, the regulatory en-

vironment established by the recently revised Telecoms Law is very favorable. It gives OTE the exclusive right to provide fixed public voice telephony services until 2003, giving us an effective monopoly in our core business for that period. OTE's business plan will ensure that we are fully competitive by 1998.

How is OTE improving its old-fashioned internal structure?

We are trying to simplify and streamline OTE's organization, a key step in preparing for our future.

What are OTE's growth prospects?

Our operating profit between 1991 and 1993 rose from 55.3 billion drachmas (\$231 million) to 133.8 billion, and operating profit margins from 22 percent to 34 percent. Over the same period, net profit rose to 89.3 billion drachmas, and total assets grew from 562.7 billion to 892.5 billion. Growth in local and long-

distance calls has risen about 10 percent yearly, with outgoing international call volume rising steadily - by 7 percent last year. There is also great scope for us to increase our revenues per line substantially. OTE's figure of \$354 per line is only around half the figure achieved in Spain and Chile, and well below that of Italy, Britain and the Netherlands. As the new tariff regime comes into force, we expect to see significant improvement in revenues per line. OTE's compound annual growth rate in access lines compares very favorably to other countries - only Telmex in Mexico and Telefonos de Chile exceed our 6 percent. As we enter this new era in OTE's history, there is a great range of opportunities open to us, and we intend to capitalize on them.

Will the financial plan ensure better returns?

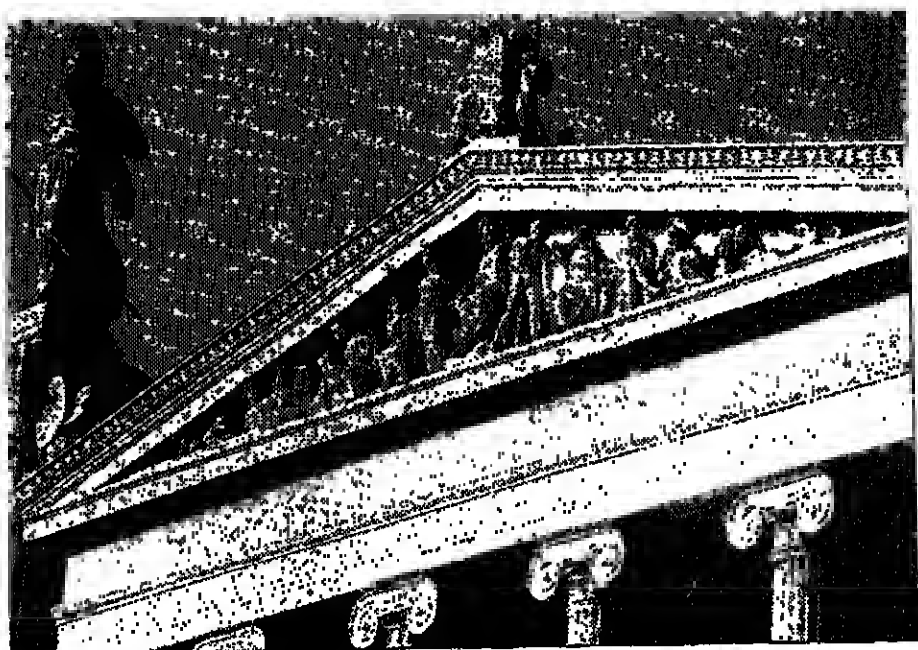
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C.R.



George Skarpellis: "OTE's business plan will ensure that we are fully competitive by 1998."

## CONFERENCE



## 10,000 BUSINESS EXECUTIVES MEET TO DISCUSS INVESTMENT

More than 10,000 executives from nearly 100 Greek and international banks, insurance companies, stock brokerage houses, financial consultants and other major players in the Greek capital market are participating in the Money Show '94, Greece's largest international financial conference, being held from Nov. 19 to 20 at the Athenaeum Inter-Continental Hotel.

The Commercial Bank of Greece is sponsoring the Money Show's Multi-Conference, which consists of a central conference and up to 20 parallel conferences on capital-market topics.

The Money Show also includes up to

100 smaller presentation and exhibition pavilions that will allow companies to meet the high-level decision-makers attending.

A poll of financial experts participating in the Money Show '94, Greece's largest international financial conference, as the preferred Greek investment of 1995. The poll was conducted by Organotecnica Ltd., Athens-based management consultants and organizers of the annual Money Show.

Organotecnica said the financial analysts chose OTE because of its ambitious growth and modernization programs and its high profitability.

C.R.

## SOURCES OF REVENUE THAT PRODUCE GROWTH

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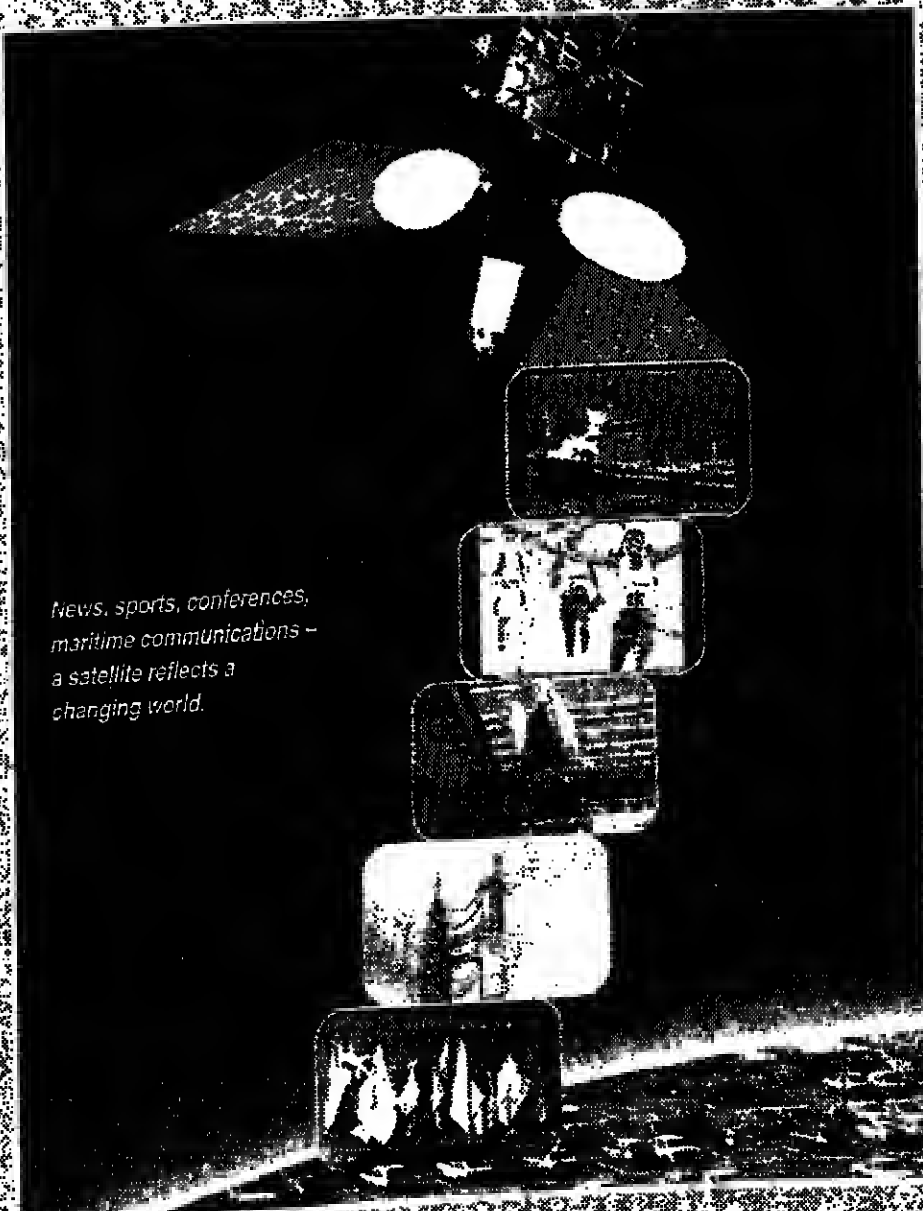
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C.R.



News, sports, conferences, maritime communications - a satellite reflects a changing world.



John Patergarmakis: "We intend to keep our prices lower than the EU average."



## SPORTS

## Signing Webber and Howard, Bullets Are Blanks No More

By Richard Justice

Washington Post Service

EAST RUTHERFORD, New Jersey — In what could prove to have been their most dramatic day since the team won the National Basketball Association championship 16 years ago, the Washington Bullets acquired last season's NBA rookie of the year, Chris Webber, from the Golden State Warriors and came to terms with their first-round draft choice, Juwan Howard.

It was a pair of stunning moves for a franchise that, after seven consecutive losing seasons, seems on the verge of swiftly becoming a serious contender. The former University of Michigan teammates whom they acquired Thursday should form the cornerstone of the NBA team's front court for years to come.

The package for Howard, a 6-foot, 9-inch

(2.05-meter) forward, could be worth \$41.6 million over 12 years. The one-year contract for the 6-10 Webber is worth \$2.08 million. This summer he will become a restricted free agent, and the Bullets will have the right to match any offer he might receive.

But the excitement of the day was tempered because the Bullets were forced to part with their most popular and respected player, the forward Tom Gugliotta, who was sent to the Warriors along with first-round draft choices in 1996, 1998 and 2000.

"I'm drained," said the Bullets' general manager, John Nash. "And because of the involvement of Tom, to have to part with a player and a person like that, it's tough. He's special and you don't like to part with someone like that. Yet I didn't think Golden State would settle for anybody less. When you're

talking Chris Webber, you're talking top of the line."

But Nash's exhaustion could not hide his excitement. In Webber, a player he called "an awesome physical talent and a very good basketball player, who we think can get better," he now has the superstar the Bullets have not had since Wes Unseld retired. Howard gives them a prototype power forward with great defensive and rebounding skills.

In four years, Nash has overhauled the Bullets, drafting Gugliotta, Calbert Cheaney and Howard, and trading for Don MacLean, Rex Chapman, Kevin Duckworth, Scott Skiles and now Webber.

"I don't know where we're at right now," Nash said. "It makes us good enough to compete."

Both Webber and Howard probably will

be in uniform for the game Saturday night against the Boston Celtics.

Both deals came together quickly, but Howard's was completed after months of often acrimonious negotiations with his agent, David Falk.

The Bullets phoned Falk around midday and offered an escape clause after the second year of the deal. Previously, the escape clause, which allows Howard to test the free agent market and increase his salary, had been after the third year. Falk phoned Howard, who accepted.

Howard's first 11 years are guaranteed at \$35.9 million, but the Bullets have a \$750,000 buyout option for the 12th year, making the guaranteed portion of the deal \$36.6 million. If he exercises the escape clause in 1996, Howard, too, would be a restricted free agent,

meaning the Bullets would have the right to match any offer.

"More than anything, I'm relieved that Juwan will now be doing what he should be doing," said Falk, who is a Bullets' season-ticket holder.

Webber's deal also was done quickly. He and the Warriors signed a one-year contract worth \$2.08 million late Wednesday, and shortly after it was announced, Golden State's general manager and coach, Don Nelson, telephoned Nash to begin negotiations. Nash said he knew that Nelson wanted to get back the draft picks he had given up when he acquired Webber from Orlando for Anfernee Hardaway after the 1993 draft, and that is what Nash offered.

"I wanted to put our best deal on the table," Nash said. "I didn't want to be trumped by somebody else's best deal."

Warriors  
Beat Knicks  
To Go 6-1

Chris Webber may have departed, but the Golden State Warriors ran their record to 6-1 as they beat the New York Knicks, 109-100, behind 27 points from Latrell Sprewell.

Tim Hardaway added 20 and Ricky Pierce 18 for Golden State, while Derek Harper got 21 points for the Knicks, who lost three of four games on a Western road trip. John Starks missed all nine of his outside shots, and was held to four points before fouling out with 4:30 left.

The Knicks were in foul trouble throughout. Patrick Ewing picked up two fouls in the game's opening 98 seconds and

## NBA HIGHLIGHTS

had just 4 points on 1-for-7 shooting in the first half. He finished with 18 points.

"I tried to work inside and get Patrick in foul trouble," said Ronny Seikaly, traded from Miami to the Warriors earlier this month. "It was part of the game plan."

Nets 111, Bullets 103: Washington came out flat in New Jersey and the Nets took full advantage of the distracted Bullets.

Kenny Anderson had 24 points and 13 assists and sparked an 8-0 burst that put the Nets ahead, 103-96, with 3:08 to play at the Meadowlands.

Rockets 106, Bulls 83: Houston, playing at home, ran its season-opening winning streak to seven games, getting 29 points and 14 rebounds from Hakeem Olajuwon.

Olajuwon dominated the inside from start to finish, and Kenny Smith, who had 19 points, hit four of six 3-point shots, including two in a fourth-quarter run when the Rockets took command.

Scottie Pippen led the visiting Bulls with 15 points.

Hornets 99, Clippers 83: With its season-opening seventh consecutive loss, Los Angeles equaled the worst start in club history.

By losing their first seven games, the Clippers matched the 1982-83 San Diego Clippers, who also began the season 0-7 before earning a victory against San Antonio in their eighth game.

Cavaliers 81, Trail Blazers 86: Mark Price sank five 3-pointers and scored 30 points to send Portland to its second straight home loss.

The Blazers had three chances to take the lead after Terrell Brandon made one of two free throws to put Cleveland ahead, 81-78, with 48 seconds left. But Clyde Drexler missed a potential game-tying free throw, and Clifford Robinson and Harvey Grant misfired on potential game-winners as time ran out.

Robinson scored 24 points and Drexler 17 for Portland.

## Baseball Owners Offering a Tax 'Carrot'

New York Times Service

HERNDON, Virginia

Major League baseball owners, as expected, have presented the striking players a new proposal based on a tax system on team payrolls. The owners also have made a shrewd and logical new move, revising but not withdrawing the salary-cap proposal.

The owners, still holding the cap as a kind of stick to the tax "carrot," were believed Thursday to have made the cap less palatable for the players and more feasible for themselves by doing away with the previous \$1 billion-a-year guarantee for players' salaries.

They also reportedly fixed the costs of salaries on first-through four-year players in lieu of salary arbitration.

The changes would make it easier for the owners to carry out their proposal if a settlement is not reached. The \$1

hillion guarantee was based on a percentage of 1994 revenues the owners once thought would reach \$1.78 billion.

Revenue projections have been whittled to \$1.2 billion by the players' strike, which began Aug. 12.

"The clubs' strategy is to put both on the table, but clearly what we are discussing is the tax proposal," said Gene Orza of the Major League Baseball Players Association.

The clubs did not publicly detail their plan, but sketches of their theories began emerging Thursday night. The tax system, according to a person familiar with it, would include two trigger points in determining the tax rate for each club.

The first trigger point would be the average of all 28 payrolls. The second would be \$3 million beyond the average. The tax would be determined using increments of \$500,000 up to the second trigger point, and incre-

ments of \$250,000 beyond that point.

The tax plan is the first new concept brought to the table by management in five months. It came as talks resumed here in suburban Washington in the presence of Bill Utery Jr., the federal mediator.

The tax system, which theoretically could weigh heavily on high-payroll teams, is a concept growing in popularity and it is now the focal point in two sports paralyzed by labor unrest: hockey and baseball.

● In Boston, the National Hockey League shaved 10 more games from its schedule, reducing the 84-game regular season to 60 games, as negotiations were resumed in that seven-week-old dispute.

[The Boston Herald, citing an unidentified source who said that the move could lead to a new collective bargaining agreement, reported that the owners were ready to withdraw

their demand for a payroll tax if the players compromised on salary arbitration.]

[The owners, for taking the luxury tax off the table, "wanted something in return in the area of arbitration," the Herald quoted the source as saying after a 7-hour meeting Thursday. "I don't think the players would settle for the elimination of arbitration, but I believe they were willing to listen to a proposal that would make it something like baseball arbitration. A player could file for it after three or four years."]

Joining the talks on behalf of management was Cliff Fletcher, the president and general manager of the Toronto Maple Leafs. His presence was seen by some as a good sign.

"Cliff Fletcher is regarded as a common-sense, compromising authority in hockey," said John Vanbiesbrouck, the player representative of the Florida Panthers.



Roy Tarpley, out of the NBA for four years because of a serious knee injury and his third violation of the league's drug policy, made his return with 16 points and nine rebounds as his Dallas Mavericks beat the Sacramento Kings, 96-94. The forward, who turns 30 later this month, scored four straight points during a fourth-quarter run that helped the Mavericks get their fourth victory. They didn't get their fourth last season until Feb. 2, in the 44th game of that season.

Paul K. Ruck/Agence France Press

Photo

## Browns' Powerful Defense Puts the Battered Chiefs Against the Wall

New York Times Service

Cleveland (8-2) at Kansas City (6-4): The Browns' defense hasn't allowed a 100-yard rusher or receiver this season, while the Chiefs are only one of two teams with a winning record that hasn't had a 100-yard rusher this season.

And, Kansas City has a beat-up team. Both veteran receivers, Willie Davis and J. J. Borden, are injured. Running back Marcus Allen is banged up. It would be difficult for the Chiefs to get much offense going against an average defensive unit, let alone an extraordinary defensive team like the Browns.

Whether it's Mark Rypien or Vinny Testaverde at quarterback, Cleveland should prevail. The odds-makers favor the Chiefs by 3½ points.

Green Bay (6-4) at Buffalo (5-5): Packers' plus-10 turnover ratio leads the National Football League, while Buffalo looked ugly in loss to Pittsburgh on Monday night. The Bills' offense appears not to know if it is a

no-huddle with three wideouts or a methodical two-back set. Bills by 3½.

Indianapolis (4-6) at Cincinnati (2-8): The Bengals' offense is averaging 401 yards the last three games, compared to 259 the first seven, since quarterback Jeff Blake stepped into

## NFL MATCHUPS

the starting lineup. Last week he threw four touchdown passes in Cincinnati's victory over Houston. But the Bengals' defense will have to stop Marshall Faulk; the Colts have scored 20 touchdowns on 29 trips inside the opponent's 20-yard line. Bengals by 1.

Miami (7-3) at Pittsburgh (7-3): The Steelers' 36 sacks leads the NFL, and they are hoping the return of running back Barry Foster will produce some points. The Dolphins' defense will have its hands full with him, while the Steelers' defense will have a tough time getting pressure on Dan Marino, although the Dolphins have struggled on offense the last few weeks. Steelers by 3.

San Diego (8-2) at New England (4-6): The Patriots have a plus-9 sack differential; Chargers' rush defense is first in AFC, giving up 83.6 yards a game. At quarterback, San Diego's Stan Humphries will throw with an injured elbow, while Drew Bledsoe, breaking a three-game slump in which he had thrown three touchdowns and 11 interceptions, ended the Patriots' 4-game losing streak last week. Chargers hope to get Natrone Means back on track. Chargers by 2½.

Washington (2-8) at Dallas (8-2): Ken Harvey's 10.5 sacks for Redskins leads NFL, but Emmitt Smith's 13 rushing touchdowns also leads the league and the Redskins' defense has trouble against the run. It doesn't help that the Cowboys lost to the 49ers last week. And it certainly doesn't help that this game is in Texas Stadium. Cowboys by 15.

Detroit (5-5) at Chicago (6-4): The Bears gave up 4.8 yards per carry in their first nine games, and Barry Sanders blasted them four weeks ago

for 167 yards. In that game, Mel Gray's 102-yard kickoff return and linebacker Chris Spielman's 25-yard fumble return for touchdowns helped Detroit narrowly win. Bears by 4.

The Jets have been held to one touchdown from scrimmage four times this season; the Vikings have limited five opponents to 14 points or fewer. Further, Warren Moon has thrown 12 touchdowns passes this year and has passed for more than 300 yards the last two weeks — and the Jets' safety Ronnie Lott and cornerback Aaron Glenn are hurt. Vikings by 7.

N.Y. Jets (5-5) at Minnesota (7-3): The Falcons suspended receiver Andre Rison for this game because of his habitual tardiness to meetings. The Buccaneers' 224 first downs leads NFL, although Denver has fiddled with its offense the last few weeks, trying to keep a spark in it. Broncos by 6.

New Orleans (4-6) at L.A. Raiders (5-5): The Saints' defense has given up 17 touchdown passes; the Raiders'

game and haven't scored more than 16 points in any of their 8 losses. Chris Warren in the backfield gives the Seahawks a bigger threat. Seahawks by 6½.

L.A. Rams (4-6) at San Francisco (8-2): In the last five games Steve Young has completed 72 percent of his passes for nine touchdowns, with one interception; the 49ers have outscored the Rams, 70-29, in the last two games and Young has completed 80.3 percent of his passes for 810 yards, six touchdowns and one interception. 49ers by 13½.

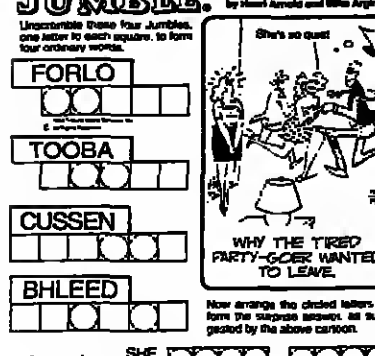
N.Y. Giants (3-7) at Houston (1-9): The Oilers' offensive line has given up 44 sacks; the Giants' line has given up 31; the two teams have given up a combined 35 turnovers in their combined 16 losses; during the Giants' seven-game losing streak, Dave Brown (10) and Kent Graham (2) have thrown 12 interceptions. But, the Oilers have never beaten the Giants. They are favored by 2 Monday night.

These matchups were compiled by Timothy W. Smith.

## DENNIS THE MENACE



## JUMBLE



Answer here: SHE WAS \_\_\_\_\_

Yesterday's: Jimmie TEASE FLANK FLIMSY GOSPEL

Answer: How the showman's flimflam

Yesterday's: JIMMIE TEASE FLANK FLIMSY GOSPEL

Answer: How the showman's flimflam

Yesterday's: JIMMIE TEASE FLANK FLIMSY GOSPEL

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Answer: How the showman's flimflam

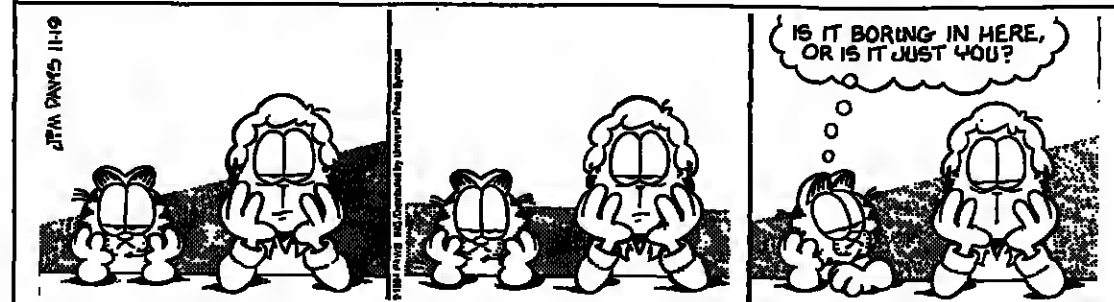
Yesterday's: JIMMIE TEASE FLANK FLIMSY GOSPEL

Answer: How the showman's flimflam

## PEANUTS



## GARFIELD



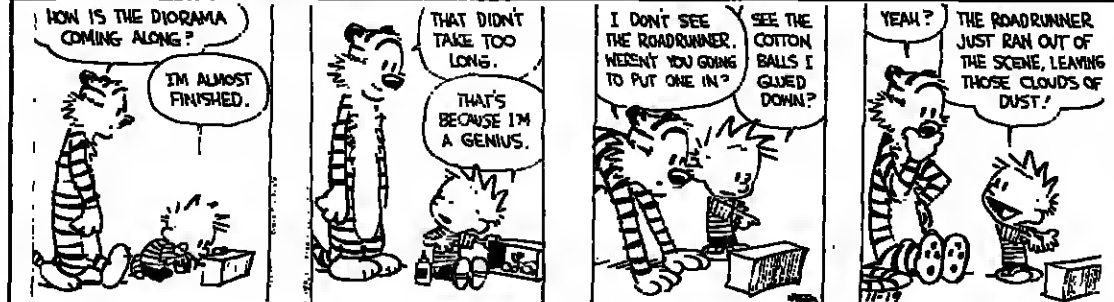
## BEETLE BAILEY



## DOONESBURY



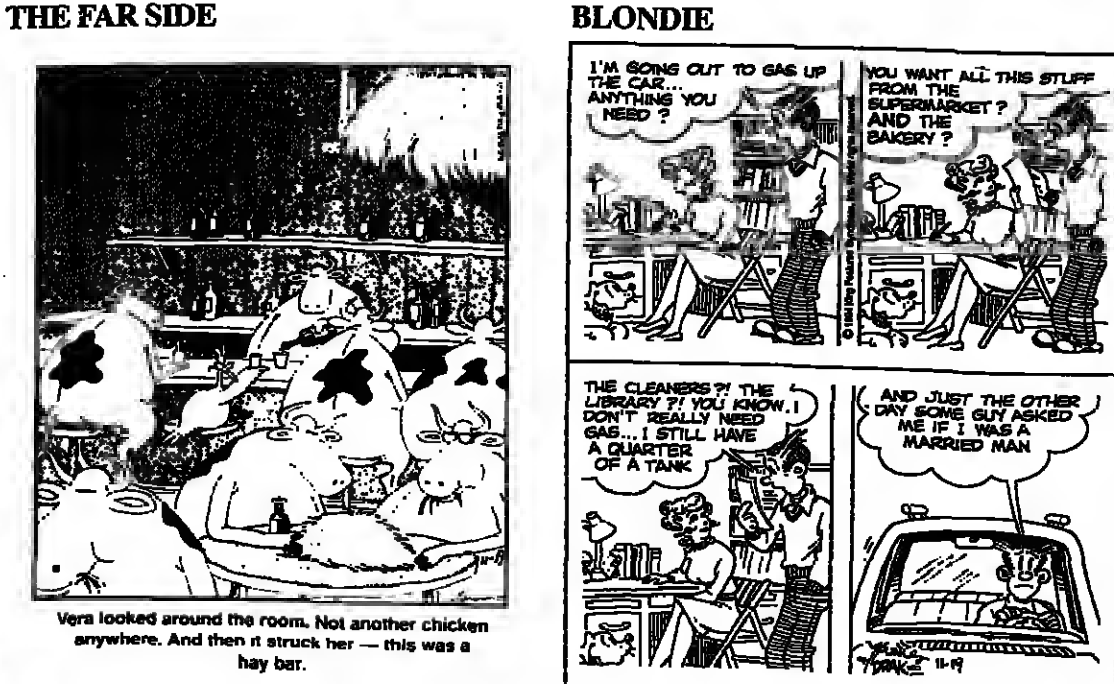
## CALVIN AND HOBBES



## WIZARD of ID



## THE FAR SIDE



## BLONDIE



هكذا من الامم







DAVE BARRY

## Terminal Boredom

Miami — I was at an airport, reading a newspaper, when the World's Three Most Boring People sat down next to me and started talking as loud as they could without amplifiers. They were so boring I took notes on their conversation. Here's an actual excerpt:

FIRST PERSON (pointing to a big bag): That's a big bag. SECOND PERSON: That is a big bag.

FIRST PERSON: You can hold a lot in a bag like that. THIRD PERSON: Francine has a big bag like that.

FIRST PERSON: Francine does? Like that? THIRD PERSON: Yes. It holds everything. She puts everything in that bag.

SECOND PERSON: It's a big bag. THIRD PERSON: She says whatever she has, she just puts it in that bag and just boom, closes it up.

FIRST PERSON: Francine does? They could have gone on for hours if they hadn't been interrupted by a major news development: namely, a person walking past pulling a wheeled suitcase. This inspired a whole new train of thought: "There's one of those suitcases with those wheels." "Where?" "There, with those wheels." "John has one." "He does?" "With those wheels?" "Yes. He says you just roll it along." "John does?"

The thing is, these people clearly didn't know they were boring. Boring people never do. In fact, no offense, even YOU could be boring. Ask yourself: When you talk to people, do they tend to make vague excuses — "Sorry! Got to run!" — and then walk briskly away? Does this happen even if you are in an elevator?

The point is that you could easily be unaware that you're boring. This is why everybody should make a conscious effort

to avoid boring topics. The problem here, of course, is that not everybody agrees on what "boring" means. For example, Person A might believe that collecting decorative plates is boring, whereas Person B might find this to be a fascinating hobby. Who's to say which person is correct?

I am Person A. I am correct. Plate-collecting is boring. In fact, hobbies of any kind are boring except to people who have the same hobby. (This is also true of religion, although you will not find me saying so in print.) The New Age is boring, and so are those puzzles where you try to locate all the hidden words. Agriculture is important, but boring. Likewise foreign policy. The fact that your child made the honor roll is boring. Auto racing is boring except when a car is going at least 172 mph upside down. Talking about golf is always boring. (PLAYING golf can be interesting, but not the part where you try to hit the little ball; only the part where you drive the cart.) Fishing is boring, unless you catch an actual fish, and then it is disgusting.

Speaking of sports, a big problem is that men and women often do not agree on what is boring. Men can devote an entire working week to discussing a single pass-interference penalty; women find this boring, yet can be fascinated by a four-hour movie with subtitles wherein the entire plot consists of a man and a woman yearning to have, but never actually having, a relationship. Men HATE that. Men can take maybe 45 seconds of yearning, and then they want everybody to get naked. Followed by a car chase. A movie called "Naked People in Car Chases" would do really well among men. I have quite a few more points to make, but I'm sick of this topic.

Knight-Ridder Newspapers

## A Choreographer Turns Unpredictability Into Form

International Herald Tribune

PARIS — Shy people sometimes have a boldness bordering on the brazen. When Trisha Brown studied modern dance technique and composition at Mills College in California in the 1950s, it was assumed, even by Brown, that she might become a housewife

MARY BLUME

who gave dance lessons. "But my need to make manifest my ideas about movement overtook my shyness and a choreographer was born," she said, laughing. "I am still learning how to run a dance company," she added. Never having been part of a dance group, in 1970 she founded the New York-based Trisha Brown Company which has won consistent international respect. In the United States she has earned important awards, been given a MacArthur grant, testified before the House Appropriations Committee and is a member of the National Council on the Arts. In France, where her company first danced in 1973, she is a Chevalier des Arts et des Lettres.

After two weeks in Paris, the company is off to Valencia, Spain; Grenoble, France; and Ljubljana, Slovenia, then, after a few days in New York, to São Paulo. It isn't a very logical itinerary, she agrees. "We go where the booking is."

The touring program has works from 1979 to "M," a 15-minute section of a 50-minute piece which, when it is finished, will be called "MO," after Bach's "Musical Offering." The score she will use and is at present grappling with. The works are visually stunning (she has always worked with artists and has exhibited her own drawings) and their common thread, she says, is unpredictability that is marshaled into a form.

One outstanding piece is Brown's 1994 solo for herself, "If you couldn't see me," in which, wearing a filmy white dress by Robert Rauschenberg, a collaborator since the heady Judson Church Theater days in the 1960s, she dances with her back to the audience. Rauschenberg also did the music, his first, inspired

by a Yamaha keyboard he had been given for Christmas.

The solo came about because Brown's company was in repertorial rehearsals and unavailable to her. "I was reading about spectator-object relationships, putting that embarrassing subject up front and looking at it and not knowing where it would lead. Bob called me and said I have an idea for a solo with your back to the audience. Then he informed me that he would write the music."

Seen occasionally in profile or three-quarters, but with her face always concealed, Brown created an intricate and illuminating piece out of what could have been merely an exercise or a gimmick. "I turned myself around in the studio and began to address the very real issues of what one does minus the expressive apparatus of the front of the body. It was hard because there's not very much back there to work with; only having two sides takes away the turning option."

"And then there was the day when I thought of what I was doing and what it meant to me to turn my back because the back is really a private place. I was rejecting them but the bigger psychological subject to me was shall I reveal another side of myself which I don't know anything about in terms of dance. It's hard dancing because I want to dance full and big and yet I can't see very well."

The result has its own drama as an exploration of the meaning of seeing and of absence, and the wish to dance full and big within limits which Brown says are on her like a lid get tension and strength.

"Do they? Great," said Brown, drinking Japanese tea in her dressing room from a saved-off mineral water bottle. She is lanky in a long-sleeved black suit and black Reeboks.

Music, whether by Rauschenberg, Bach, Cage, Laurie Anderson or a marching band, has only been a part of her work since 1981. This is because in her early New York days she had no theater but did have an infant son (now a 30-year-old sculptor) whom she was wheeling through the city streets and sounds in his stroller. "I was moving through great tem-



Trisha Brown and Robert Rauschenberg, her long-time collaborator.

ples of architecture and thinking about them as being places for a performer wanting to make a dance without music or story, wanting a machine that would tell me when to start, when it's over, what it's like — get my questions answered by some outside device."

Brown's answer, not the most obvious one, was to walk down the side of a seven-story building. Her equipment pieces, as they were called, developed into projects that involved hauling two tons of steel tracks up the Whitney museum and a magical-sounding work strung over 12 blocks of Manhattan rooftops in which a dancer passed an improvised move-

ment to another dancer four blocks away, and so on.

"It took me time to get my feet on the ground," Brown said. She was seeking a way to make the conventional proscenium theater her own. "My own instead of this austere, sacrosanct tradition-imposed theater so I could go forward with my work without being scared off by very different interpretations of what theater should be."

She works in what she calls cycles, each with its own language. The valiant cycle, for example, involved bold, geometric, impulsive movement exemplified in breathtakingly hardy and gravity defying partnering. "It should be illegal," Brown

said of her catches and cantilevering. Another four-work cycle was called back to zero because even if she didn't know what it would be, she did know what, and where, zero was. "I don't stay in one mode or formula or cycle. I get my answers and move on."

The demands on her excellent dancers are exceptional. — to have all the technical skills and to be ready to abandon them as required. Her basic vocabulary consists of two principles working in paradox.

"The one is the geometry of the body and the other is the natural path of the body. I move back and forth between these two modes and the moments of confrontation from shifting from one to the other might be another category of movement — the resolution of disparate energies." She calls the result modern sans drama.

One principle has always been to work with composers who do not impose their rhythms on hers, so why is she grappling with J.S. Bach? "It's something that is there to be done and it's led me to some very wonderful questions. I don't know that I have answered them."

"His music is so monumental and complex and many of the things that I've tried to do to hold separate my own style of movement have been nearly impossible. I'll make a phrase that will have all my campaign and I'll turn on the music and it will look like old-fashioned modern dance."

She studied baroque polyphonic composition for a year to be equal to the battle. "I have this pathetic position to maintain here," she said wryly.

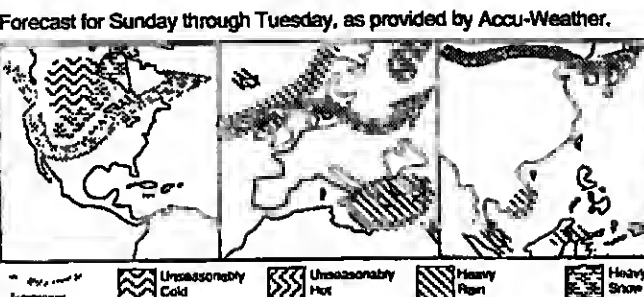
Brown likes to play with titles. "Newark," from the valiant cycle, takes its name partly from the stage manager calling out "new work" at rehearsals ("it sounded like a train conductor calling out Newark") and partly, she says, "because there's a certain kind of industrial directness to the temperament of that piece and there's a kind of industrial directness to New Jersey."

The present "M" will be "MO" for Musical Offering when it is completed, but it also refers to Brown's duet with Bach. "Modus Operandi. MO. It's a wonderful adventure. I never expected to get this energy flashing off the page like that."

## WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low
Algeria	23/27	14/57	23/27	15/59	14/57	23/27
Amsterdam	10/50	9/49	11/52	7/44	10/50	9/49
Athens	11/52	7/44	14/57	4/59	11/52	7/44
Berlin	14/57	8/48	14/57	11/52	8/48	14/57
Barcelona	20/24	12/53	20/24	14/57	12/53	20/24
Bombay	28/32	22/31	28/32	22/31	28/32	22/31
Buenos Aires	7/42	4/39	9/48	3/37	7/42	4/39
Budapest	11/52	9/48	11/52	7/44	11/52	9/48
Calcutta	28/32	22/31	28/32	22/31	28/32	22/31
Cairo	28/32	22/31	28/32	22/31	28/32	22/31
Chicago	12/53	7/44	12/53	6/43	12/53	7/44
Columbo	28/32	22/31	28/32	22/31	28/32	22/31
Dublin	12/53	7/44	12/53	6/43	12/53	7/44
Edinburgh	10/50	7/44	10/50	7/44	10/50	7/44
Frankfurt	12/53	7/44	12/53	6/43	12/53	7/44
Geneva	12/53	7/44	12/53	6/43	12/53	7/44
Helsinki	12/53	7/44	12/53	6/43	12/53	7/44
Istanbul	28/32	22/31	28/32	22/31	28/32	22/31
Las Palmas	28/32	22/31	28/32	22/31	28/32	22/31
Lisbon	28/32	22/31	28/32	22/31	28/32	22/31
London	12/53	7/44	12/53	6/43	12/53	7/44
Madrid	28/32	22/31	28/32	22/31	28/32	22/31
Moscow	12/53	7/44	12/53	6/43	12/53	7/44
Mumbai	28/32	22/31	28/32	22/31	28/32	22/31
Nairobi	28/32	22/31	28/32	22/31	28/32	22/31
Paris	12/53	7/44	12/53	6/43	12/53	7/44
Rangoon	28/32	22/31	28/32	22/31	28/32	22/31
Rio de Janeiro	28/32	22/31	28/32	22/31	28/32	22/31
Sao Paulo	28/32	22/31	28/32	22/31	28/32	22/31
Seoul	28/32	22/31	28/32	22/31	28/32	22/31
Shanghai	28/32	22/31	28/32	22/31	28/32	22/31
Singapore	28/32	22/31	28/32	22/31	28/32	22/31
Tokyo	18/64	12/53	18/64	12/53	18/64	12/53



Europe: New York and Toronto will have mild weather until early next week but also some rain Monday and Tuesday. Rain will fall in Chicago Sunday and Monday, then a bit more rain Tuesday. The West Coast will be generally dry through early next week, with temperatures not far from normal.

North America	Today	High	Low	Tomorrow	High	Low
Alaska	23/27	14/57	23/27	15/59	14/57	23/27
Arizona	10/50	9/49	11/52	7/44	10/50	9/49
California	14/57	8/48	14/57	11/52	8/48	14/57
Colorado	20/24	12/53	20/24	14/57	12/53	20/24
Connecticut	12/53	7/44	12/53	6/43	12/53	7/44
Delaware	12/53	7/44	12/53	6/43	12/53	7/44
District of Columbia	12/53	7/44	12/53	6/43	12/53	7/44
Florida	28/32	22/31	28/32	22/31	28/32	22/31
Georgia	28/32	22/31	28/32	22/31	28/32	22/31
Hawaii	28/32	22/31	28/32	22/31	28/32	22/31
Idaho	12/53	7/44	12/53	6/43	12/53	7/44
Illinois	12/53	7/44	12/53	6/43	12/53	7/44
Indiana	12/53	7/44	12/53	6/43	12/53	7/44
Iowa	12/53	7/44	12/53	6/43	12/53	7/44
Kansas	12/53	7/44	12/53	6/43	12/53	7/44
Kentucky	12/53	7/44	12/53	6/43	12/53	7/44
Louisiana	28/32	22/31	28/32	22/31	28/32	22/31
Maine	12/53	7/44	12/53	6/43	12/53	7/44
Maryland	12/53	7/44	12/53	6/43	12/53	7/44
Massachusetts	12/53	7/44	12/53	6/43	12/53	7/44
Michigan	12/53	7/44	12/53	6/43	12/53	7/44
Minnesota	12/53	7/44	12/53	6/43	12/53	7/44
Mississippi	28/32	22/31	28/32	22/31	28/32	22/31
Missouri	12/53	7/44	12/53	6/43	12/53	7/44
Montana	12/53	7/44	12/53	6/43	12/53	7/44
Nebraska	12/53	7/44	12/53	6/43	12/53	7/44
Nevada	12/53	7/44	12/53	6/43	12/53	7/44
New Hampshire	12/53	7/44	12/53	6/43	12/53	7/44
New Jersey	12/53	7/44	12/53	6/43	12/53	7/44
New Mexico	28/32	22/31	28/32	22/31	28/32	22/31
New York	12/53	7/44	12/53	6/43	12/53	7/44
North Carolina	28/32	22/31	28/32	22/31	28/32	22/31
North Dakota	12/53	7/44	12/53	6/43	12/53	7/44
Oklahoma	12/53	7/44	12/53	6/43	12/53	7/44
Oregon	12/53	7/44	12/53	6/43	12/53	7/44
Pennsylvania	12/53	7/44	12/53	6/43	12/53	7/44
Rhode Island	12/53	7/44	12/53	6/43	12/53	7/44
South Carolina	28/32	22/31	28/32	22/31	28/32	22/31
South Dakota	12/53	7/44	12/53	6/43	12/53	7/44
Tennessee	28/32	22/31	28/32	22/31	28/32	22/31
Texas	28/32	22/31	28/32	22/31	28/32	22/31
Utah	12/53	7/44	12/53	6/43	12/53	7/44
Vermont	12/53	7/44	12/53	6/43	12/53	7/44
Virginia	28/32	22/31	28/32	22/31	28/32	22/31
Washington	12/53	7/44	12/53	6/43	12/53	7/44
West Virginia	12/53	7/44	12/53	6/43	12/53	7/44
Wisconsin	12/53	7/44	12/53	6/43	12/53	7/44
Wyoming	12/53	7/44	12/53	6/43	12/53	7/44

Asia	Today	High	Low	Tomorrow	High	Low
Bangkok	31/38	23/31	31/38	23/31	31/38	23/31
Beijing	10/50	9/49	11/52	7/44	10/50	9/49
Bombay	28/32	22/31	28/32	22/31	28/32	22/31
Buenos Aires	7/42	4/39	9/48	3/37	7/42	4/39
Budapest	11/52	9/48	11/52	7/44	11/52	9/48
Calcutta	28/32	22/31	28/32	22/31	28/32	22/31
Cairo	28/32	22/31	28/32	22/31	28/32	22/31
Chicago	12/53	7/44	12/53	6/43	12/53	7/44
Columbo	28/32	22/31	28/32	22/31	28/32	22/31
Dublin	12/53	7/44	12/53	6/43	12/53	7/44
Edinburgh	10/50	7/44	10/50	7/44	10/50	7/44
Frankfurt	12/53	7/44	12/53	6/43	12/53	7/44
Geneva	12/53	7/44	12/53	6/43	12/53	7/44
Helsinki	12/53	7/44	12/53	6/43	12/53	7/44
Istanbul	28/32	22/31	28/32	22/31	28/32	22/31
Las Palmas	28/32	22/31	28/32	22/31	28/32	22/31
Lisbon	28/32	22/31	28/32	22/31	28/32	22/31
London	12/53	7/44	12/53	6/43	12/53	7/44
Madrid	28/32	22/31	28/32	22/31	28/32	22/31
Moscow	12/53	7/44	12/53	6/43	12/53	7/44
Mumbai	28/32	22/31	28/32	22/31	28/32	22/31
Nairobi	28/32	22/31	28/32	22/31	28/32	22/31
Paris	12/53	7/44	12/53	6/43	12/53	7/44
Rangoon	28/32	22/31	28/32	22/31	28/32	22/31
Rio de Janeiro	28/32	22/31	28/32	22/31	28/32	22/31
Sao Paulo	28/32	22/31	28/32	22/31	28/32	22/31
Seoul	28/32	22/31	28/32	22/31	28/32	22/31
Shanghai	28/32	22/31	28/32	22/31	28/32	22/31
Singapore	28/32	22/31	28/32	22/31	28/32	22/31
Tokyo	18/64	12/53	18/64	12/53	18/64	12/53

Latin America	Today	High	Low	Tomorrow	High	Low
Alaska	23/27	14/57	23/27	15/59	14/57	23/27
Arizona	10/50	9/49	11/52	7/44	10/50	9/49
California	14/57	8/48	14/57	11/52	8/48	14/57
Colorado	20/24	12/53	20/24	14/57	12/53	